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USSR Report

CONSUMER GOODS AND DOMESTIC TRADE

No. 76

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USSR REPORT
CONSUMER GOODS AND DOMESTIC TRADE

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

EXPLODING TV SETS DRAW OPEN LETTER TO COMMUNICATIONS MINISTER

Moscow IZVESTIYA in Russian 31 Jul 83 p 6

[Letter to Comrade Erlen Kirikovich Pervyshin, USSR Minister of the Communications Equipment Industry, by B. Nadein, topical satirist for IZVESTIYA: "Be Silent, My Sorrow, Be Silent!..."]

[Text] Deeply respected Erlen Kirikovich!

I have learned completely by chance that any day now we may expect a document signed by you, entitled "Provisional Regulations on the Procedure for Examining Claims by Owners and for Taking Measures in Cases of Explosions of Television Sets."

I must confess that I became melancholy. Over the course of several years this topic has served us topical satirists as an unfailing source of inspiration. Just imagine how diverting the following situation is: a person lays out 700 rubles, brings home a delightfully beautiful set, and is filled with pleasure by the riot of colors. And suddenly fire, smoke, and soot! And nobody is responsible. The domestic service passes the buck to the manufacturers, but the industry returns it to the domestic-service people. Because there has been no kind of document whatsoever to regulate the interrelationships between these spheres. And, as a result, the customer has always been wrong. Perhaps he was even right, but this didn't do him any good.

Of course, such instances were isolated. Even through the smoke of individual explosions it was obvious that the quality of the television products is steadily improving. And herein, by the way, lies the particular charm of the given topic for satirists.

In order to be correctly understood, I would like to invite you to step into my creative laboratory for a few minutes. Or, to speak more simply, into the kitchen of the topical satirist. Here some undisciplined suppliers are being fried in a rusty frying-pan. Here, gurgling in a pot with boiling tar, are the manufacturers of defective footwear. Our work is really quite simple: throw a few logs of specific facts into the stove, season the soup with the pepper of sarcasm and the salt of irony. Ladies and gentlemen, dinner is served!

But the capacity of the pot is frequently not sufficient. The shoemaker, for example, does not wish to boil in isolation. He demands that his warm company be shared by the leatherworker, the chemist, the pattern-maker, and the textile worker. And, as a result, no matter what you boil, you must obtain a stew. Monotonous. Boring.

In this sense, television explosions constitute an ideal product. Please excuse my immodesty, but I am going to refer to my own personal experience here. Perhaps you chanced to read my topical satires entitled "The Lazy Lightning of a Bureaucrat" and "The Cracklings of Ambition," which were published in our newspaper with an interval of a year and a half (respectively in No 174 for 1981 and No 43 for the present year). Nothing untoward was mentioned there about the quality of television sets. One unpleasantness per million pleasures is not such a terrible proportion. Hence, it was not the activity of the plants which was criticized but rather the inactivity of the government offices, for which two five-year plans were not enough to work out two pages of a simple text.

You will surely agree, Erlen Kirikovich, that this is truly a royal gift for satirists! If dozens of substantially paid office employees had managed to find the time to write one word each per quarter, then all the explosions would long ago have been transformed from outstanding ordeals into routine occurrences. But even such a rate has proved to be beyond their strength. It is clear that such instances do not just lie about on the road. In the silent competition with essayists and reporters we newspaper topical satirists feel confidence in ourselves.

I assume that you now understand the sorrow with which I have approached learning about the slightly more than two pages of the "Provisional Regulations...." To be sure, there was still the glimmer of a light hope that the domestic-service people would oppose it at the last moment. However, having seen at the end of it the accommodating signatures not only of the responsible staff member of your ministry, I. K. Anufriyev, and the director of your leading scientific-research institute V. Ye. Nemtsov, but also those of the chief of the Main Administration for Radio Equipment of the RSFSR Ministry of Consumer Services, A. Ye. Fomin, and the director of their central scientific-research institute, I. M. Shatayev, and I understood that it was a matter of the tube. And not the electronic one but the iron one.

"The explosion of a television set," I read, "is considered to be the bursting into flame of its component parts, assemblies, installation elements, etc., as a result of which the other component parts, assemblies, and units of the television set are damaged or destroyed."

Let me say without flattery that this is set forth splendidly. For such a paragraph we need not regret spending a year of work by two scientific-research institutes. And if things go on like this even further, I thought, then a wonderful topic for us topical satirists will be closed down forever. It hurts, but there is nothing you can do about it. One must learn to accept the blows of fate.

Just as convincingly set forth are the "causes of an explosion," demonstrating the depth of erudition on the part of the authors. Well, is it not a matter of the further one goes, the closer one gets, so to speak, to the fire?...

"When an owner puts in a claim at the repair enterprise nearest his place of residence regarding the explosion of a television set, the repair enterprise will send to the owner a competent representative within the time period established by the Regulations for Domestic Service to the Population...." Well, and so on and so forth.

Since I did not wish to put this matter away in the "long drawer," I called up a number of shops, and, taking the sin on my own soul, informed them that my television set had exploded.

Let me omit the nerve-wracking details of the exchange which ensued. The gist of it was: a skilled workman will come to your place during working hours 15 days from now.

Let's add three more days: they are allotted to the shop in order to send a telegram to the plant (Par. 2.6).

Another ten days (Par. 2.7) is allotted to the plant in order to send its own representatives. And yet another two weeks for removing "after filling out the appropriate forms" the burnt-out set and replacing it with a television set of "suitable quality, if the explosion occurred during the warranty period." But if this period has expired, then the value is paid, taking into account the amortization (10 percent for each year of use).

And so, if everything proceeds without the slightest hitch, then the owner will receive.... No, not a new television set but one of "suitable quality" only 42 days later!

Allow me to make a slight stipulation. Here and below I am not speaking about owners who have violated the rules of usage. There is no pity in my heart for those who have placed their television sets right near the heating apparatus or have left them turned on without watching them. I am speaking about those others, those meek and law-abiding persons who have immediately and officially been recognized as victims of the "hidden defects of materials used" or "defects in the installation and assembly of the television sets." It is they who are doomed to admire for 42 days a burnt-out box, while remaining "on duty" by the telephone.

Well, but if differences of opinion arise among the parties concerned, then the time periods (Par. 2.4) may be extended indefinitely. Of course, I am not a specialist in the field of television disputes. But my life's experience in the field of ordinary discussions prompts me to think that it is child's play to find a reason for differences of opinion.

I do not know, Erlen Kirikovich, whether or not you are interested in such a detail as the following: my television set, a Rubin-710, has been working flawlessly now for ten years. The skilled workman who comes in accordance with the subscriber service asserts that, except for cleaning out the dust, there is literally nothing for him to do with it. And now it is bitter for me to realize that, in case of an explosion, it has been stated that I would not receive a single kopek for this marvelous and beloved set. By the way, the "Provisional Regulations..." do not

say a single word about who will pay for the value of the night-table and how it will be paid, if it catches fire from the television set. And, furthermore, if the latter catches fire from the night-table.

To put it more succinctly, an attentive study of the "Provisional Regulations..." has evoked in me a surge-tide of professional optimism, for which I am prepared to submit my sincere gratitude to your ministry. And, although these Regulations are provisional, you and I know that there is nothing more permanent than such provisional measures. And to those owners who assert that it is too painful to suffer the burning ordeals for slightly less than a thousand rubles and that the plants should make good their own faults within a specified number of days we will continue to lick their burning wounds with topical satires.

Once again I thank you in the name of all topical satirists. For if shortcomings were to be universally eliminated, everything would get more plentiful and better, suppliers would become more disciplined, footwear would become more attractive, and, as a result, there would simply not be enough evil for us.

With the utmost respect,

V. NADEIN,
Topical satire writer, IZVESTIYA

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CSO: 1827/281

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

RETAIL TRADE STATISTICS GIVEN

Statistics for First Half of 1983

Moscow SOVETSKAYA TORGOVLYA in Russian 7 Jul 83 p 1

[Article: "At the USSR Trade Ministry"]

[Text] The Board of the USSR Ministry of Trade has considered the results of the fulfillment of the plan for the development of trade for the first half of 1983.

According to operational data, the retail commodity turnover in state and cooperative trade, as compared with the first half of last year, increased by more than 3 billion rubles, or 2.3 percent. The planned assignment was not fulfilled.

One of the reasons for nonfulfillment of the plan was the lag, as compared with the assignments for the production of a number of commodities. Enterprises of USSR Minlegprom produced fewer commodities than were planned. There was an increase of only 3 percent, instead of 8 percent planned, in the production of commodities intended for cultural, everyday, social, and household use.

With the nonfulfillment of the plan for commodity turnover, the commodity reserves in retail trade increased by 4.9 billion rubles. And the total reserves in excess of norm currently constitute approximately 6 billion rubles. The reserves of articles of jewelry, carpets, and haberdashery are especially high.

The enterprises in public nutrition fulfilled the plan for production and sale of output to be produced by themselves. The increase, as compared with the first half of last year, came to 3.3 percent. Approximately 80 percent of the increase in production was obtained as a result of the increase in labor productivity. However, the plan for commodity turnover in public nutrition was underfulfilled by 0.3 percent. The plan for the commodity turnover in public nutrition was not fulfilled in the Ukrainian SSR, the RSFSR, and Kazakh SSR.

The plan for retail commodity turnover for the second half-year was confirmed in the amount of 163,470 million rubles, with an increase of 8 percent as compared with the corresponding period last year. The ministries of trade

of the union republics must take urgent steps to obtain from industry the commodities in full volume, in the coordinated variety, and with good quality. It is necessary to strive for a situation in which, within the shortest periods of time, the underdelivery of commodities which occurred in the first half-year is compensated for.

The Board of the USSR Ministry of Trade also discussed the draft version of the plan for the development of state and cooperative trade in 1984.

1983 Second Quarter, First Half Statistics

Moscow SOVETSKAYA TORGOVLYA in Russian 14 Jul 83 p 1

[Article: "USSR Central Statistics Administration Reports"]

[Text] The commodity turnover in state and cooperative trade, including the turnover of consumer cooperatives in the sale of agricultural products purchased at prices in accordance with understandings in the second quarter of 1983 came to 73.99 billion rubles, including turnover in consumer cooperatives, 20.92 billion rubles.

In the first half of 1983, as compared with the first half of 1982, retail commodity turnover increased, in comparable prices, by 1.6 percent.

The increase in commodity turnover in the first half of 1983, as compared with the first half of 1982, for the union republics is characterized by the following data, in percentages:

RSFSR	101.3	GSSR	102.7	KiSSR	101.6
UkSSR	101.9	AzSSR	103.5	TaSSR	103.3
BSSR	101.9	LiSSR	100.4	ArSSR	100.9
UzSSR	104.7	MSSR	102.8	TuSSR	103.7
KaSSR	101.5	LaSSR	99.8	ESSR	100.6

July 1983, January-July 1983 Statistics

Moscow SOVETSKAYA TORGOVLYA in Russian 16 Aug 83 p 2

[Article: "USSR Central Statistics Administration Reports"]

[Text] The commodity turnover in state and cooperative trade, including the turnover of consumer cooperatives in the sale of agricultural products purchased at prices in accordance with understandings in July 1983 came to 25.58 billion rubles, including the turnover in consumer cooperatives, 7.48 billion rubles.

In January-July 1983, as compared with January-July 1982, retail commodity turnover increased, in comparable prices, by 1.7 percent.

The increase in commodity turnover in January-July 1983, as compared with January-July 1982, for the union republics is characterized by the following data, in percentages:

RSSR 101.3
UKSSR 101.9
BSSR 102.1
UZSSR 104.8
KaSSR 101.3

GSSR 103.1
AzSSR 103.4
L1SSR 101.0
MSSR 102.7
LaSSR 100.0

K1SSR 101.7
TaSSR 103.4
ArSSR 101.3
TuSSR 104.0
ESSR 100.7

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

MILK, MEAT PRODUCTION REPORT FOR FIRST SIX MONTHS OF 1983

Moscow MYASNAYA INDUSTRIYA SSSR in Russian No 7, Jul 83 pp 1-4

[Article by V. V. Nikul'shin, deputy USSR Minister of the meat and dairy industry: "Increase the Responsibility for the Entrusted Task"]

[Text] The June (1983) Plenum of the CPSU CC, the regular Session of the USSR Supreme Soviet, and the election of Comrade Yu. V. Andropov as chairman of the Presidium of the USSR Supreme Soviet have all received universal approval and have served as a new impulse for successfully implementing the decisions of the 26th Congress of the Communist Party and the ensuing Plenums of the CPSU CC.

By implementing the decisions of the May and November (1982) Plenums of the CPSU CC, the workers of the meat and dairy industry made great strides forward in carrying out the tasks of the Food Program. The production plan for the first six months of 1983 has been fulfilled ahead of schedule by the enterprises of the USSR Ministry of the Meat and Dairy Industry with regard to all its principal indicators. In comparison with this same period of last year, the production of meat has increased by 349,000 tons, butter--by more than 100,000 tons, whole-milk output--by 800,000 tons, and cheese--by 34,000 tons. The output of commercial items increased by 1.4 billion rubles. The best indicators with regard to fulfillment of the established tasks during the period just expired were achieved by the Ministries of the Meat and Dairy Industry of the RSFSR, the UkSSR, and the BeSSR.

The successes achieved were the result of a widely organized socialist competition with the motto: "Obtain the maximum high-quality output from every ton of raw material" and the implementation of measures for further improving and strengthening the economic ties between the processing sectors and the kolkhozes and sov-khozes. The enterprises of the meat and dairy industry have now joined the agro-industrial associations which were created in the localities. This has improved business contacts with the farms. Questions regarding the fulfillment of contractual agreements have begun to be decided more specifically and efficiently; there has been an improvement in the quality of the raw materials being procured, an increase in the volumes of acceptance of livestock-raising products at the localities where they are produced, as well as an expansion and a strengthening of the material-technical base of the procurement network. All this allowed us to increase the purchasing of livestock for the first six months of 1983 by more than 500,000 tons.

At present the turnover and acceptance of livestock and poultry on the farms and their centralized shipping are conducted by 300 enterprises of the meat industry. The centralized shipping of livestock and poultry increased from 588,000 to 734,000 tons during the first quarter of 1983, as compared to this same period of last year. Such a progressive method was used for the delivery of 20 percent of the livestock. This work has been carried out most successfully in the BeSSR and the Baltic republics. The Union republic Ministries of the meat and dairy industry are taking measures in order to increase the volumes of the centralized shipment of livestock to 3.6 million tons during the current year.

The work which has been carried out with regard to increasing the procurements of raw materials and the volumes of production has ensured the increase of deliveries of products to the population.

In order to further step up the pace of production in 1983, the USSR Ministry of the Meat and Dairy Industry has assigned the Union republics the task of turning out additional meat and dairy products amounting to a value of 450 million rubles.

Along with the increase in the production volumes, work has been developed everywhere on a more economical and rational utilization of raw-material resources. By means of the comprehensive processing of raw materials, the expansion of the product assortment with the use of various protein components, and the implementation of other measures, the raw material resources in the meat industry during the period January--May 1983 were increased by 194,000 tons, as compared to the plan amount of 152,000 tons, or 103 percent of the assigned task and 104 percent of the amount produced during the corresponding period of last year.

A complex of measures has been carried out with regard to improving the quality of the products being turned out; as a result of this, during the first quarter of 1983 the production of sausage-type items of top-grade quality amounted to 53.2 percent and that of canned meats--75.4 percent, which increases the established tasks.

In order to further improve production organization at the enterprises of the meat and dairy industry, almost 40,000 brigades have been created, which employ more than 70 percent of the workers. Approximately 93 percent of them are employed on a piece-work wage system; their wages are calculated on the basis of a standardized procedure reflecting the end results. Measures have been adopted everywhere with regard to improving the engineering support of production; the initiative of the engineers and technicians has been developed for discovering and utilizing the existing reserves more fully.

In order to increase the effectiveness of capital investments, the funds directed at the retooling and renovating of existing enterprises have been increased by 15 million rubles during the current year. The number of newly begun construction projects for production purposes with an estimated cost of more than one million rubles has been reduced from 97 to 73. Some 80 percent of the allocated capital investments has been directed at construction projects which have been started up and which are being continued. Work is being conducted on ensuring that 24 particularly important projects under construction are put into operation ahead of schedule.

In order to improve public dining for the workers of this sector, more than 1,000 subsidiary farms have been created at enterprises. During the past year alone their number increased by 47 percent. Measures are now being undertaken to complete the creation of such farms at large enterprises during the current year. Many enterprises in this industry have already achieved quite good results in the activities of such subsidiary farms. For example, the Leninsk-Kuznetskiy Meat Combine of the Kemerovo Production Association of the Meat Industry in 1982 obtained on its own subsidiary farm an amount of 37 kilograms of meat (in dressed weight) per worker. This fully provides for the requirements of this combine's dining room.

After the November (1982) Plenum of the CPSU CC labor and production discipline increased somewhat. At most of the enterprises which were checked up on there has been a reduction in the losses of work time, unauthorized absences from work have been curtailed, and there is a decrease in the turnover of personnel.

The strengthening of labor and production discipline, improvement in providing a guaranteed supply of raw materials and other materials to the enterprises, and the introduction of new forms of labor organization have considerably increased the effectiveness of production. During the first five months of 1983 labor productivity grew by 8 percent, as compared with the assigned growth of 4.4 percent, and this ensured 87 percent of the increase in items being produced. During the period January--April 1983 some 21.4 million rubles of profits above the plan were obtained. At the enterprises of this sector measures have been adopted guaranteeing the correct correlation between the growth in labor productivity and an increase in wages. During the first five months of 1983 product output increased by 9.3 percent, labor productivity grew by 8.0 percent, and wages rose by 3.7 percent.

Nevertheless, in the work of the Union republic ministries of the meat and dairy industry and the enterprises under their jurisdiction there are still substantial shortcomings in carrying out the demands of the November (1982) Plenum of the CPSU CC with regard to strengthening labor and production discipline; these shortcomings do not allow us to fully utilize the existing reserves for subsequently increasing the effectiveness of production and increasing product output.

Despite the favorable opportunities for increasing the procurement of livestock and milk under the new conditions of the agro-industrial complex, during the period just expired about 50 enterprises and production associations, comprising 7.6 percent of their total number, did not provide for the fulfillment of the plan for product sales. More than 90 enterprises did not fulfill their assigned tasks with regard to growth of labor productivity, 173--with regard to reducing the production cost of commercial products, and 220--with regard to material outlays, as well as 105--with regard to profits.

The ministries of the meat and dairy industry of certain Union republics have not manifested the necessary initiative with respect to improving coordination between the activities of the enterprises and those of the kolkhozes and sovkhoses within the framework of the agro-industrial associations which have been created in the

localities. Many associations and enterprises have manifested passivity in solving the problems of increasing the volumes of the centralized shipping of livestock. They have not utilized the experience of the progressive enterprises which, by means of the aid of RAPO in drawing upon the transportation of Goskomsel'khoztekhnika, have already made plans during the current year to ship out in a centralized manner 80--90 percent of the livestock being purchased. This work is being conducted with particular slowness by the ministries of the meat and dairy industry of the RSFSR, KaSSR, AzSSR, ArSSR, EsSSR, and MoSSR.

As a result of poor work in drawing upon raw material resources in May 1983 the plan for meat production was not fulfilled by the ministries of the meat and dairy industry of the KaSSR, the KiSSR, the TaSSR, and the TuSSR, for sausage-type products--by the UkSSR, BeSSR, KaSSR, LaSSR, KiSSR, TaSSR, ArSSR, and the TuSSR. The Ministries of the Meat and Dairy Industry of the KaSSR and KiSSR permitted a reduction in the volumes of products sold as compared with 1982. Despite several directives from the Union ministry, the enterprises of the ministries of the meat and dairy industry of the RSFSR, UzSSR, LiSSR, MoSSR, TaSSR, and the Soyuzkleyzhelatinprom VPO [All-Union Production Association], while overfulfilling their plans with regard to the volume of production, exceeded the established limit on the number of workers and office employees. Enterprises of the meat industry of the KaSSR and KiSSR permitted an excess of the limits on the number of workers and office employees, as well as an outstripping of the growth of the average wages over and above the labor productivity, while reducing, in comparison with last year, the production volumes and the per-worker output.

The directors of a number of enterprises have not accorded sufficient importance to carrying out measures for reducing the production cost of the items being turned out. As a result of this, during the period January--May 1983 the outlays per ruble of a commercial product amounted to 88.02 kopeks, as compared with the plan amount of 87.65 kopeks. The limit of material expenditures during this period was exceeded by 53.2 million rubles. The greatest increases in such expenditures were allowed by the ministries of the meat and dairy industry of the RSFSR, UkSSR, KaSSR, MoSSR, and the LaSSR.

Particular alarm has been caused by the unsatisfactory fulfillment on the part of many economic managers of the requirements of the directing organs with respect to ensuring the preservation of socialist property, as well as by all kinds of losses and mismanagement. For these reasons a considerable amount of raw material and finished products are still being lost. However, principled evaluation is frequently not given to such negative phenomena, the reasons for the losses and thefts are not discovered, and measures for their elimination are not taken.

While there is a significant over-fulfillment of the production plan for meat products for the republic as a whole, the RSFSR Ministry of the Meat and Dairy Industry has poorly monitored the work of certain individual, sub-departmental associations and enterprises. For example, at the Kursk Production Association of the Meat Industry (whose general director is V. A. Kolodka) the production plan for the first four months of 1983 was under-fulfilled for meat by 2.5 percent, for sausage-type items--by 4.9 percent, for sausage-type products--by 14 percent, and for the production of boneless semi-finished products--by 15 percent. During this period an over-expenditure of fuel and energy resources was permitted.

Particularly serious shortcomings in the management of enterprises have been allowed by the KaSSR Ministry of the Meat and Dairy Industry. During the first five months of 1983 this ministry's enterprises were short in comparison with the plan by 2,300 tons of sausage-type products and 1,100 tons of semi-finished meat products. This ministry has not taken the necessary measures to carry out the decisions of the November (1982) Plenum of the CPSU CC with regard to strengthening state and labor discipline; nor has it waged a decisive struggle against thefts and all kinds of losses and mismanagement. A number of its enterprises have permitted gross violations of technological discipline and a poor management attitude toward the use of raw materials. The most major shortcomings in the preservation of products have been manifested at the Arkalykskiy Meat Combine (whose former director was U. I. Il'yasov) and the Semipalatinskiy Meat-Canning Combine (Ye. A. Bakman, director). For serious omissions in their work, the non-fulfillment of the established tasks of production output, the slow development of its material-technical base, and the poor strengthening of ties between the republic's enterprises and the kolkhozes and sovkhozes within the framework of the agro-industrial complex, the leadership of this ministry has been subjected to serious criticism; however, there are still no substantial shifts in their work.

The industry of the MoSSR Ministry of the Meat and Dairy Industry has ensured the fulfillment of the plan for the first six months of 1983 with respect to all the basic indicators and has begun to work more effectively. However, the existing reserves are still not being fully utilized. During the current year this ministry's enterprises have permitted a reduction in the amount of sausages with category 2 sub-products, clear blood serum suitable for human consumption, and protein stabilizers. There has been a sharp reduction (by 10 kilograms) in the production of dry animal feeds, as calculated per ton of meat. Insufficient attention has been paid to increasing the output of pelmeni (meat dumplings) and boneless semi-finished products, the production plan for which has not been fulfilled; moreover a reduction has been permitted in their production in contrast to last year. Defects in meat products have occurred. A significant amount of unprofitable products are still being produced.

Analogous instances have been permitted in the work of the ministries of the meat and dairy industry of the EsSSR, LaSSR, KiSSR, and a number of other republics.

The shortcomings noted above testify to the fact that certain leading officials of the Union republic ministries of the meat and dairy industry, associations, and enterprises are not yet fully carrying out the requirements laid down by the November (1982) Plenum of the CPSU CC with regard to instituting the necessary procedure at enterprises under their jurisdiction for strengthening labor and production discipline.

Guided by the positions and conclusions contained in the speech by the general secretary of the CPSU CC, Comrade Yu. V. Andropov, at the June (1983) Plenum of the CPSU CC, all the employees of this sector must exhibit the maximum organizational quality in fulfilling the plans, tasks, and socialist pledges; they must also adopt decisive measures for strengthening state, labor, and performance discipline at all the enterprises of this industry, as well as waging an

irreconcilable struggle against all kinds of losses and mismanagement, increase the responsibility of all the leading officials for the task entrusted to them, and ensure the unconditional fulfillment and over-fulfillment of the plan for the core year of the 11th Five-Year Plan with respect to all the principal indicators.

In studying the decisions and documents of the June (1983) Plenum of the CPSU CC and the 8th Session of the USSR Supreme Soviet, one is convinced once more of the fact that the main intent of our party's activity consists in manifesting concern about improving the well-being of Soviet man, in creating peaceful conditions for our people's work and life.

The June (1983) Plenum of the CPSU CC has set us the following assignment--to more closely and concretely coordinate ideological work with the struggle to carry out the key tasks of the national economy. For the workers of the meat and dairy industry this means that all organizational and ideological work, all educational work with personnel must be directed at the unconditional fulfillment of the Food Program.

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

STIMULATING PRODUCTION, QUALITY IN HEAVY INDUSTRY SECTOR

Moscow FINANSY SSSR in Russian No 5, May 83 pp 11-15

[Article by V. Ye. Orlov, chief, Heavy Industry Financing Administration, USSR Ministry of Finance, and L. I. Bugayets, candidate of economic sciences: "Stimulating Production Growth and Improvement in the Quality of Consumer Goods in the Heavy Industry Sectors"]

[Text] Within the framework of the program provided by the Basic Directions for expanding the output of consumer goods a large role has been allotted to the sectors of heavy industry, which produce more than half of all the non-food consumer goods. For the years 1981--1985 an outstripping growth rate of their production is planned, as compared with basic production. In the chemical and petrochemical sectors it is planned to increase the production of basic goods by 30--33 percent, while the production of synthetic resins and plastics, necessary for the manufacture of consumer goods, is scheduled to be increased by a factor of 1.7. At the plants of the building-materials industry, within an overall increase in production volume by 17--19 percent, the manufacture of consumer goods is to be increased by a factor of 1.3--1.4.

Furniture output on a per capita basis will be increased by a factor of more than 1.2; moreover, its assortment will be renovated annually by an amount equal to 20--25 percent. In connection with the development of gardening societies, the manufacture of garden sheds is being increased by a factor of 1.6--1.8, as compared to the previous five-year plan, and their design is being improved. In their socialist pledges for 1983 the labor groups of the Russian Federation alone planned to increase the production and expand the assortment of consumer goods, turning them out in excess of the plan by an amount valued at no less than 800 million rubles, including 20 million rubles worth of furniture.

In order to increase the volume of consumer-goods output, a whole complex of measures has been outlined. Measures are being carried out to increase the technical, aesthetic, and economic indicators for the items being manufactured and those which are newly being assimilated, as well as with regard to taking out of production those items which are not in demand. Additional measures have been provided for strengthening the economic interested concern of the heavy industry enterprises in making the maximum utilization of their production capacities for further increasing the output of the above-indicated items.

To a greater degree than previously, workers must be awarded bonuses for increasing their output of cultural-everyday and household-type goods, as well as products being turned out with the use of production by-products. Assigned tasks have been established for expanding, retooling, and renovating existing enterprises as well as building new ones engaged in the manufacture of consumer goods. There has been a significant increase in the capital investments for these purposes in the 11th Five-Year Plan. The production of cultural-everyday and household-type goods for the country as a whole will increase during the years of this five-year plan by a factor of 1.4--from 43.5 billion rubles to 61 billion rubles.

The growth of consumer-goods production in a number of ministries of the fuel-and-energy and raw-materials complex is shown in the table below.

In 1983 a substantial increase has been planned, in comparison with 1980, in the output of consumer goods in the USSR Ministry of the Construction Materials Industry (by a factor of 1.3) and in the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry (by a factor of 1.2). But, despite the considerable growth rate, the specific proportion of such items in the overall volume of production at enterprises of the above-mentioned complex has remained rather low for a number of years--and has not exceeded 5 percent. This may be explained by the fact that the ministries have not fully utilized the possibilities for increasing the production of goods to satisfy the increasing needs of the population.

Table

USSR Ministries	1980 (Account) in millions of rubles	1983 (Plan) in millions of rubles	Growth Rate, in %
Ministry of the Timber, Pulp and Paper, and Wood Processing Industry	5292.6	6480.0	122.4
Ministry of the Construction Materials Industry	1096.5	1450.0	132.2
Ministry of the Petroleum Refining and Petrochemical Industry	882.7	1000.0	113.3
Ministry of Ferrous Metallurgy	583.6	678.0	116.2

They have not always carried out the tasks which have been assigned to them. For example, during the 10th Five-Year Plan provisions were made to put into operation by means of building new enterprises and modernizing existing ones of the system of the USSR Ministry of the Construction Materials Industry capacities for producing high-quality utensils amounting to 57.8 million rubles. But, in fact, capacities were introduced amounting to only 38.2 million rubles, which was 34 percent less than the plan. The USSR Ministry of Ferrous Metallurgy was assigned the task of significantly raising its output of enameled ware in sets. However, the plan for its production during 1981 was fulfilled by 82.8 percent, as a result of which,

there was a shortage of 240,600 sets; nor was the plan fulfilled in 1982, and the specific proportion of decorated ware decreased from 37.6 to 31.9 percent.

It is a known fact that furniture is being produced at the enterprises of more than 30 ministries and departments. Despite this, the demand for it has not been satisfied. According to the results of the wholesale fairs, the demand for it in 1980 was met by 88 percent, including that for children's furniture--by 77.5 percent, for suites and outfits--by 84.7 percent.

One of the reasons for such a situation is the non-fulfillment of the plan for the volume of furniture production by certain enterprises of the wood-processing industry. For example, the plan for furniture production for the period January--November 1982 was fulfilled by the Bashmebel' Production Association by only 95.1 percent and by the Amurskmebel' Association--by only 89.2 percent. It should be noted that during the above-mentioned period nine production associations of the Soyuzmebel' All-Union Industrial Association did not successfully cope with the plan for its production; that means that there was a production shortage of furniture valued at 8.7 million rubles.

For many enterprises in heavy industry the principal cause of short production of consumer goods lies in the unsatisfactory provision of raw-material resources to the producers. On condition that the enterprises are supplied with the necessary raw materials and allocated the appropriate amounts of capital investments, output could be increased of small-sized crystal items and items on stems, which have recently enjoyed an increased demand. Out of the total amount of goods for cultural-everyday purposes, 13.6 percent consists of furniture, while its specific proportion in the total amount of the output of the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry has attained almost 25 percent. At the same time the reserve supplies of raw materials at the furniture factories in certain instances are insufficient to fulfill the plan and to achieve the high-quality manufacture of the product.

In certain instances unimproved technology is a retarding factor. Thus, considerable quantities of defective enameled ware have been produced. At the Cherpovetskiy Metallurgical Plant (on the 50th Anniversary of the USSR alone losses from defective production of high-quality ware every year amount to more than 500,000 rubles. Nevertheless, it is utterly unjustifiable to follow the trend of keeping all non-standard enameled ware off the market. In order to preserve commodity resources, local organs of price formation have been granted the right, along with the manufacturing enterprises as well as the local trade organizations, of selling individual items of non-standard enameled ware at lowered retail prices, while at the same time reducing the wholesale price of the enterprise.

Also needed is a substantial improvement in the production of packages for transportation and packaging materials; the lack of a sufficient quantity of these items constitutes one of the reasons for the above-norm breakage of products and the loss of its commercially acceptable appearance. The production of cardboard for use in boxes during 1980 reached 955,000 tons, whereas 1.4 million tons of it are required merely for packaging consumer goods. Consequently, the needs of the national economy have been satisfied by only 68 percent. Thus, in 1980 the Minsk

Porcelain Plant was allocated 3 million square meters of corrugated cardboard at a time when it needed 3.6 million square meters. Because of this shortage a portion of the ware was packed in paper packages with wood shavings; this does not preserve the commercially acceptable appearance of the products and leads to their breakage. The expenditure of wood shavings on packing is considerable. In 1981 the plants of the USSR Ministry of Ferrous Metallurgy produced 120,000 tons of enameled ware, and 460 kilograms of wood shavings are expended in packing one ton of this ware. Consequently, just for packing the ware which was produced required 55,200 tons, but considerably less was allocated.

At the present time the effective demand for consumer goods is not being fully satisfied. The unsatisfied demand, in turn, holds back the rise of the people's material well-being; it hinders the growth of social production and its effectiveness. At the same time, the shortage of goods is, to a considerable extent, artificial in its nature. It is frequently brought about by shortcomings in the economic mechanism, as well as by insufficient economic responsibility for the production and sale of these goods. In certain instances the artificial shortages weaken the demands of the consumers on the quality of the products.

Under present-day conditions the problem of demand and supply touches upon the balance among the actual financial-material streams. The law of demand and supply requires a complete correlation among its component parts with regard to the assortment, quantity, and quality of goods. In order to implement this correlation during the 11th Five-Year Plan, it is planned to attain an outstripping growth rate in the production of consumer goods, as compared to the increase in the monetary incomes of the population.

Above all, we must ensure close coordination between the wages and material incentives and the genuine contribution of each worker to increasing the volume of production and to increasing its effectiveness. It is also necessary to significantly improve the correlation between the growth of labor productivity and its wages. It is a known fact that the observance of this necessary correlation is very important for the national economic proportion. However, in recent years in a number of sectors the growth rate of wages has outstripped the growth rate of labor productivity.

For example, during 1982 the increase of labor productivity in the USSR Ministry of the Petroleum Refining and Petrochemical Industry amounted to 1.2 percent, while the average wage increased by 1.4 percent. In the USSR Ministry of Ferrous Metallurgy labor productivity decreased by 0.3 percent, while the average wage increased by 1.9 percent. This brings about a disproportion between demand and supply, which influences the growth of labor productivity. In order to eliminate the gap between demand and supply, specifically directed assignments have been provided for the first time in 1983 with regard to the output of consumer goods per ruble of the wage fund.¹

The problem of balance between demand and supply is solved in certain cases by expanding the import of goods. Obviously, one of the factors in obtaining their complete balance is improvement of the domestic economic mechanism. Deserving of attention in connection with this is the proposal to utilize a balanced,

automated system of planning consumer goods, based on the use of EVM (mathematical models in economics) and electronic computers.

There is also the need to increase the production of new items with better consumer characteristics. According to an estimate made by specialists, we need to turn out 5 billion rubles worth of such items annually.² Their production facilitates the more complete satisfaction of the population's demands. In order to increase the output of new items, cultural-everyday and household-type goods have been included since 1979 in the state plan for the economic and social development of the country under the section entitled "Development of New Types of Industrial Products."

Provisional wholesale and retail prices have been set on such items. The time period of their being in effect should not exceed three years. The price markup should not be too high. We would consider it feasible to have the markup paid out in two phases. In the first phase, when the item is assigned the index "N," 5 percent would be added to the price, and when the item is certified for the Emblem of Quality, another 5--10 percent would be added, i.e., the time period when the markup would be in effect should be extended.

Operating in all industrial sectors is a standardized system for determining the share of material incentives for workers to increase production volume, renovate the assortment, and improve the quality of consumer goods. The stimulating function of deductions made for the material-incentives fund (FMP) from the results of production activity with regard to the output of these goods is manifested unevenly in different sectors and in individual enterprises. In those which specialize in turning out goods in mass demand, the sum total of deductions made in order to attain the indicators mentioned above is quite tangible, while at many heavy industry enterprises, where their manufacture is concentrated in individual workshops and, in a number of cases, on non-specialized production lines, the FMP comes to insignificant amounts.

In the 11th Five-Year Plan a whole series of material incentives are used for the increase of production and the improvement of quality in cultural-everyday and household-type goods. For example, provisions have been made to set up deductions from the above-plan profit for the specific proportion of goods in the highest quality category on the prices of which incentive markups have not been established. For every percentage point of the specific portion of these items attained prior to 1981 deductions have been carried out in amounts of up to 1 percent of the FMP; for those achieved during 1981 and in the ensuing years of the five-year plan this figure is 2 percent. The overall increase of the FMP cannot exceed 25 percent.

At those enterprises where the production of consumer goods does not constitute the principal form of activity provisions have been made to increase the deductions made to the FMP for the supplementary output of consumer goods in excess of the approved assignments. Up to 5 percent of the cost of such additionally produced goods may be transferred to this fund from the profits. Their total amount must not exceed 10 percent of the fund.

Along with incentives to the workers, it is also planned to apply financial sanctions. In case consumer goods are returned to an enterprise because of their poor quality, the FMP is reduced by 3 percent for each percentage point of goods returned, but not by more than 10 percent. For fulfilling all agreements with regard to product deliveries, including those of consumer goods, the FMP is increased by 10 percent, but in case of non-fulfillment, it is reduced by 1 percent for each percentage point of shortage. When all agreements are fulfilled with regard to the delivery of goods for children, the fund is increased up to 10 percent by means of deductions from the above-plan profits.

The application of the individual positions cited above is connected with certain difficulties, since planning production volume is directed at the establishment of tight plans by the enterprises. Taking into consideration the fact that implementing a balance of material resources is accomplished with certain difficulties, it is particularly complicated to over-fulfill the established production plans in the heavy industry sectors, and it is even more difficult to economize on material resources for the supplementary output of items earmarked for the population. Thus, in 1980 the non-fulfillment of the plan by the Saratovmebel' Production Association in the amount of 2.5 million rubles was caused by the shortage of deliveries of wood-chip and wood-fiber boards. Herein lies one of the causes of the slow development of new and the use of existing capacities for producing goods in mass demand.

At enterprises which have developed the capacities for producing consumer goods one of the capital-forming indicators should be the growth rate of production of these items by years with the approval of differentiated norms for deductions made to the FMP in increasing amounts, taking into account the dimensions of the growth in output. It would be feasible to establish from one to two percentage points of deductions made to the FMP for each percentage point of increase in the volume of consumer goods. When there is a decrease in the growth rate, the FMP is reduced according to the established norm.

In a number of cases the increase in the output of consumer goods is hindered by the procedure of introducing to the enterprises assigned tasks with regard to the manufacture of cultural-everyday and household-type items expressed in cost terms. Improvement of the system of accounting for the production and the needs for such items has been facilitated by the methodological recommendations of the All-Union Scientific Research Institute for the Study of the Population's Demand for Consumer Goods and Trade Marketing Conditions. They have provided for the solution of the following problems: providing justifiable grounds for applications and orders for the production and delivery of items which are not planned within the centralized procedure; coordinating the production programs for such items with industry; distributing and redistributing them in accordance with the changing demand of the population; exerting an active influence on industry for the purpose of increasing their output, improving their assortment, and the rational deployment of their production facilities.

Speeding up scientific and technical progress requires a more active utilization of the price mechanism, ensuring the stability and flexibility of these prices. The 1982 revision of wholesale prices on consumer goods has strengthened, to a

certain extent, the dependence of price on the quality of the product. In forming prices on consumer goods, along with taking into account the socially necessary expenditures on production output, we must establish their economically founded correlations with analogous, interchangeable types of products. It is also feasible to employ graduated wholesale prices, which must be changed depending on the demand for the product and the level of production profitability. Along with this, it is possible that we do not need to take into consideration the overfulfillment of the plan for the production of items in excess of the plan which are not in demand, and this will allow us to coordinate the work of an enterprise with the end results of its activity.

It must be noted that not all ministries have yet recognized the importance of producing consumer goods. For example, out of the total number of enterprises of the USSR Ministry of Ferrous Metallurgy located on the territory of the RSFSR, 40 percent of the enterprises have not organized production of consumer goods for the population. In the USSR Ministry of the Petroleum Refining and Petrochemical Industry 30 percent of the enterprises are in this category, and in the USSR Ministry of Nonferrous Metallurgy the corresponding figure is 26.6 percent. In order to satisfy the population's demand for consumer goods, it has now been proposed to increase the dependence of the amounts of revenues of the local budgets on increases in the production of consumer goods at enterprises located on the territory of the local Soviets, regardless of the administrative subordination of these enterprises.

In the light of the decisions of the 26th party congress and the November (1982) Plenum of the CPSU CC, a broad-based task has been assigned for seeking out opportunities for the supplementary output of consumer goods for the population, particularly by means of utilizing local sources of raw material and by-products of production, as well as over-fulfillment of the assigned tasks with regard to the production of goods per ruble of the wage fund. It should be emphasized that the increase in the manufacture of such items with the use of production by-products is being retarded, to a definite extent, by the existing procedure for the formation of the consumer-goods fund. It is formed on condition that the cost of the by-products amounts to 50 percent or more of the cost of raw materials and other materials. It is necessary to examine the question of forming the above-mentioned fund, utilizing production by-products in lesser amounts. Under present-day conditions, in order to carry out the party's economic strategy, it is necessary to more fully mobilize the existing reserves for the growth of consumer-goods output, drawing upon banking credit more extensively for these purposes.

FOOTNOTES

1. See V. F. Garbuzov, "O Gosudarstvennom byudzhete SSSR na 1983 g. i ob ispolnenii Gosudarstvennogo byudzheta SSSR za 1981" [On the USSR State Budget for 1983 and the Performance of the USSR State Budget for 1981], Moscow, Politizdat, 1982.

2. See Ya. Orlov, "Production and Quality of Consumer Goods," VOPROSY EKONOMIKI, 1982, No 1, p 132.

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'IRREGULARITIES' NOTED IN KIEV SUPPLIES

AU081228 Kiev RADYANSKA UKRAINA in Ukrainian 3 Aug 83 p 1

[Unattributed report: "In the Ukrainian Council of Ministers"]

[Text] The Ukrainian Council of Ministers Presidium has listened to reports delivered by V.A. Zgurskiy, Kiev Gorispolkom chairman; I.P. Lysenko, Kiev Oblispolkom chairman; and V.P. Lisitsyn, Ukrainian minister of the fruit and vegetable industry, on the organization of procurements, the storing of and trade in potatoes, fruit and vegetables in the city of Kiev.

It was noted at the session that, notwithstanding certain work carried out to improve the supplies of the city population with fruit, vegetables, and potatoes, serious shortcomings are still occurring in this respect. While produce is available at farms, there are shortcomings in supplies. In some cases, the stores are selling potatoes, fruit, and vegetables of poor quality and in a limited variety. A lag has been incurred in preparing the material-technical base for produce winter storing.

The Ukrainian Council of Ministers has ordered the Ukrainian Ministry of the Fruit and Vegetable Industry, Kiev Gorispolkom and Oblispolkom to immediately put the organization of the supplies of potatoes, vegetables, and fruit to the Kiev population in proper order, and to radically improve trade in this produce.

The progress has been examined in building and putting into operation capacities for the manufacture of consumer goods. The attention of Ukrainian ministries and departments, both those giving and taking orders for construction, has been called to the shortfall of the targets for building facilities for the production of consumer goods, to the delays in supplying the projects with plans, estimates, funds, and material-technical resources, and to the shortage of manpower at these projects.

The Ukrainian Council of Ministers has obligated the appropriate Ukrainian ministries and departments to take immediate steps in order to radically improve the construction of facilities in the light, food, meat, dairy, winemaking, fish, and light industries, to overcome the lag incurred in the first 6 months of the current year, and to ensure that the 1983 plans for putting them into operation are fulfilled without fail.

The session of the Ukrainian Council of Ministers Presidium has also examined some other issues.

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MOSCOW OBLAST CONSUMER GOODS PRODUCTION EXAMINED

[Editorial Report] OW261027 Moscow Domestic Television Service in Russian at 0635 GMT on 25 June carries the 30-minute "Political Observer's Talk" program, with Viktor Prokofyevich Beketov, on consumer goods production at two large steel enterprises in Elektrostal, Moscow Oblast.

Beketov begins the program from the Elektrostal Gorkom building by introducing the Elektrostal I. F. Tevosyan Electrometallurgical Plant and the Elektrostal Heavy Machine-building Production Association which "produce nearly 85 percent of all the city's industrial products." He adds, "We came to this city to tell you about how Elektrostal increases its output of consumer goods year after year." Beketov reports that all production enterprises in Elektrostal produce consumer goods, which is, "if not unique, then at any rate a rare occurrence." He notes that this production is directed by the Gorkom with the help of a special council for studying and implementing leading production experience.

The camera then dollies back to reveal members of this council sitting with Beketov at a round table. The camera cuts to A. I. Rassadin, first secretary of the Elektrostal Gorkom, who notes that the council has helped to persuade managers to engage in consumer goods production. V. N. Zhuchin, manager of the Elektrostal Metallurgical Plant, then outlines the history of the plant's consumer goods production which began in the 1930's, noting that the plant annually produces 5 million consumer items in 21 varieties. Zhuchin then shows examples of cutlery produced by the plant. Replying to Beketov's question on the low quality and unavailability of razor blades, he notes that the plant is organizing razor blade production together with other enterprises and that this problem should be solved in the next few years.

I. A. Tikhov, shop chief at the Elektrostal Plant, outlines the reconstruction of his shop which was done during the ninth 5-year plan period, resulting in higher production volumes, a reduction in personnel, and increased wages. Zhuchin points out that "we are now working on the use of robots, and I think that by the 12th 5-year plan period robots, and not women, will be working on heavy manual operations." Replying to Beketov's question about consumer goods production adversely affecting general plant production figures, Tikhov suggests that consumer goods production figures should be kept separate from overall production figures.

Over video of the bicycle shop of the Elektrostal Heavy Machine-Building Production Association, its shop chief goes on to explain how a new deluxe bicycle was put into production. The association's consumer goods shop chief, P. T. Zikeyev, reports on the shop's agricultural tool production which includes new hoes and fruit pickers. He says that both external and internal production problems exist, citing the example of the need for excessive documentation required by institutes and other bodies before a product can be manufactured. He also mentions that there is a lack of coordination, resulting in duplication in the production of certain goods. At this point V. I. Khizov, the association's party committee secretary, stresses that no advisory bodies or documents on this matter exist in the Soviet Union. However, the Moscow Obkom organized an oblast consumer goods exhibition in 1982 which facilitated the coordination of consumer goods production between enterprises.

Rassadin then exhibits a number of consumer items produced by other enterprises in Elektrostal and adds that "our most important task is that goods should be of a high quality and that there should be a demand for them. This is the problem we are working on now because the portion of high-grade products in our basic production is about 40 percent and the portion of consumer goods is also 40 percent. Well, I feel that generally consumer goods should be issued with the state quality symbol. This problem concerns us today and we are working on it."

In conclusion, Beketov points out that Moscow Oblast enterprises occupy a firm position in consumer goods production amounting to R9 billion annually. He states that 70 percent of the oblast enterprises produce consumer goods, while the remaining 30 percent constitute as yet untapped reserves. He adds that Moscow Oblast workers collectives can serve as an example for the whole country.

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

STOPPED CLOCKS STOP INDUSTRY

[Editorial Report] Moscow DOMESTIC TV SERVICE in Russian at 0705 GMT on 6 August 83 reports on shortcomings in the clock industry in many cities. Addressing this question, reporter Beketov says: "As a rule, many clocks have either stopped or show the incorrect time." He notes that this is frequently the reason for late arrivals at work and that it facilitates a weakening of labor discipline. Beketov cites a letter from Vladimir Grigoryevich Ilin, Deputy chairman of the USSR State Commission for Unified Time and Standard Frequencies (Gosudarstvennaya Komissiya edinogo vremeni i etalonnykh chastot SSSR), who admits shortcomings in the work of street clocks and those on public buildings.

Beketov notes that there is a special service in the Soviet Union for broadcasting time signals through the radio and television networks. Citing Ilin, he states that a "unified technically accurate time system" is being developed which will solve this question of time "on the basis of standarization." He continues: "New clocks which we will see in city streets and squares will have in-built radio receivers to receive accurate time signals from radio stations. By these signals, clocks will automatically correct themselves. The first steps in this direction have already been made. Recently, industry has begun producing these clocks for various public buildings and structures. Therefore, the clock industry should be in an ordered state in the near future."

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

BRIEFS

UKSSR FOOD INDUSTRY EXPERIMENT--The Ukrainian Food Industry Ministry is planning to carry out an economic experiment on expanding the rights of production associations and enterprises in planning and economic activity and intensifying their responsibility for the results of work. Grigoriy Dmitriyevich Zagorodnyy, First Deputy Minister, speaks about the preparations for this experiment: [Begin Zagorodnyy recording] The experiment will begin on 1 January next year. By then, or rather by the beginning of November, we will have to carry out a vast amount of preparatory work at all levels, ranging from teams, shops, and enterprises to ministerial directorates. The success of the experiment will depend to a great extent on the thought and care given to this preparatory work. The experiment will extend to over 1,500 enterprises of our ministry. There is a lot of work to be done by party, trade union, and Komsomol organizations. In our field, the food industry, planning has special features. There is a special need for enterprise, managerial shrewdness, and useful initiative that is not restricted by petty tutelage. It is no less important that our partners efficiently carry out their contractual commitments. This also applies to suppliers of raw material, transport organizations, and other supplies. They are all participants in an important experiment. The success of the experiment depends on each of them--all the more so in that the food industry is an important link in the food program, the implementation of which is everybody's concern. [End recording] [Text] [Moscow DOMESTIC SERVICE in Russian 1500 GMT 28 Jul 83]

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HOUSING AND PERSONAL SERVICES

BSSR HOUSING MINISTER ON IMPROVING ADMINISTRATION

Moscow PLANOVoye KHOZYAYSTVO in Russian No 5, May 83 pp 87-90

[Article by A. Bezlyudov, Belorussian SSR minister of housing and municipal services: "Improving the Management of Housing and Municipal Services in the Republic"]

[Text] In order to carry out accurately and with quality the tasks of improving the effectiveness of public production that were assigned by the 26th CPSU Congress, not only the technical re-equipping of production itself but also the incorporation of new advanced management methods is required. The social processes are so dynamic that even a well organized and efficient management system is not always sufficiently flexible and does not react in time to changes in them. Life itself continuously dictates new requirements for the economic mechanism and stipulates its improvement -- sometimes the need for a fundamental restructuring and sometimes simply the updating of the system with separate components.

The Belorussian SSR Ministry of Housing and Municipal Services is a multi-branch system. It combines urban electric transportation, water supply, heat and power, civilian services, the integrated organization of the territory's public services and amenities, operation of housing assets, and the work with the population in residences. In the system, there are agricultural enterprises -- to some extent a "green industry" for the organization of the cities' public services and amenities -- and industrial enterprises in which metal and wood working processes are being carried out and radio engineering items and building structures are being manufactured for internal needs. A wide network of hotels "gets along together" with large repair-construction and construction organizations and a whole number of other sub-branches. All told, the ministry contains 725 enterprises and organizations in 20 types of work.

The great variety of products and services (types of activity) that are produced by the enterprises and organizations of the branch, the dual subordination system of the enterprises at all levels of territorial administration, the coincidence of the product production cycle with its demand, the non-transportability of products and the unevenness of the demand for them determine the specific nature of the branch. In order to administer this complicated

complex, a modern and flexible system for constructing the organizational structure and forming the economic mechanism, which is based on modern economic and mathematical methods and computer systems, is required. The scientific research organizations that are subordinate to the ministry, along with the Center for Problems in Managing Public Production in the Moscow State University imeni Lomonosov and other scientific organizations in the country, are consistently carrying out a series of measures in this direction. A general plan for managing the enterprises and organizations has been developed in the branch. It provides for the concentration and specialization of production and services, implementing a shift to a two-three-link management system instead of the four-five-link one. It permits the principles of unity of territorial and branch management, of specialization and the functional closed nature of the system; and an integrated approach to improving labor productivity and its quality, speeding up scientific and technical progress and effectively using resources, to be implemented.

This work was begun three years ago as an experiment in Brest Oblast where they incorporated a new three-link management system; the enterprise- the city or oblast production administration - the ministry. As a result, the rayon housing administration and dozens of small organizations have been abolished. A territorial council of enterprise directors, which is busy with further improving the management system, is operating successfully.

The success has permitted the experiment to be expanded. The CPSU Central Committee and USSR Council of Ministers decree "On Improving Planning and Strengthening the Economic Mechanism's Influence on Raising Production Efficiency and Work Quality", which was adopted in 1979, made this incumbent. At the present time, branch enterprises in Minsk and Mogilev and Grodno Oblast have been shifted to the new management system. The housing and municipal services of the remaining oblasts in Belorussia are preparing for this shift. The general plan for managing the branch in the republic should be introduced this year on the whole.

What will this provide the branch? With the complete shift to the new management plan, the growth rates for the volume of products, work and services will increase by 1.5 - 2 percent, labor productivity -- by three - five percent, and the effectiveness of using resources -- by two-three percent from this factor alone. The number of workers in the management apparatus will decrease by more than one percent. The annual economic effect will be 740,000 rubles. As experience has shown, enterprises work more effectively and services for the population are improved under the new conditions. For example, the number of letters and statements to housing and municipal services bodies on various questions decreased by almost 20 percent during the first year of the experiment in Brest. Work quality, labor productivity and the effectiveness of work increased significantly.

The introduction of a number of steps to improve the economic management mechanism (including more effective forms for organizing, paying for and stimulating work) have permitted the branch as a whole to shift to cost accounting. Moreover, an opportunity to use those elements of the economic mechanism, which previously were considered suitable only for material production -- for example, the planning of labor productivity -- has appeared in the

service area. This was a fundamental question for the branch because, according to data from the Economics and Economic-Mathematical Planning Methods Scientific Research Institute (attached to the Belorussian SSR Gosplan), Belorussian housing and municipal services would have to accept for work more than 10 percent of the republic's able-bodied population in the year 2000 and open up up to 8,000 work positions annually based on the rates of technical re-equipping and improving of the economic mechanism that had taken shape. This is unrealistic with the scarcity of labor resources and considering the lack of prestige of the housing and municipal services professions.

Presently, they are seriously engaged in the Belorussian SSR Ministry of Housing and Municipal Services with the question of improving labor productivity. For this purpose an integrated system for controlling the quality of products, work and services has been developed and introduced. An integrated program for decreasing manual labor (an analysis has shown that its percentage is great -- 65 percent) is being implemented at the same time. The implementation of the integrated program will permit various operations to be mechanized and 5,000 individuals to be released during the present five-year plan.

Under present conditions, new, especially computer, equipment is needed for the management processes. Automated control systems have been functioning for five years already in the Belorussian SSR Ministry of Housing and Municipal services (a branch one), the "Belremstroy" Combine, the Gorremstroytrest, and the Minsk Housing Administration. Last year, a system for controlling the technological process of Minsk's water supply was put into operation. Two automated control system works and one for developing organizational structures were awarded bronze medals in 1982 by the exhibition of USSR National Economy Achievements.

It is generally known that computer equipment is an extremely expensive "pleasure". Therefore, it is not effective to use it as an enormous adding machine. In order to improve the return from electronic computers, it is necessary to use mathematical models more widely when solving technical, economic and organizational tasks.

A functional territorial model for developing an integrated system for managing the branch for the period out to 1990 has been developed in the ministry. Economic and organizational questions are solved as one in this model with the help of appropriate economic and mathematical methods. Its elements reflect the basic directions in the research and scientific work to expand the republic's housing and municipal services in the space-time aspect considering the labor input and material input of the work being performed, capital expenditures on the technical base, etc. An analysis of the model has convincingly shown that the use of traditional management methods considerably lengthens the period for incorporating works, leads to higher expenditures of labor and financial resources and increases pay-back periods. When they are used, the expected economic effect will be all told 1.2 rubles per one ruble of expenditures, but part of the work has to be put in a later period.

The search for ways to increase the return from one ruble of expenditures to 2-2.5 rubles and to decrease development periods has led to the use of the following methods:

A formalized description of organizational structures, the performance of multi-variant calculations for different criteria with the selection of the most effective variant, optimization of the functional ties of management bodies at all levels of direction -- an optimization that insures the rational combination of branch and territorial management;

Modeling economic processes and automating the analytical computations that provide for optimizing the economic and social development plans of the branch in its territorial and sub-branch sections, revealing the trends and factors in the growth of labor productivity in housing and municipal services, insuring the balancing of the component elements of the plans considering the limitations on labor, material and financial resources;

Carrying out the tasks connected with the automated system for controlling the technical processes in water supply, urban electrical transportation traffic and operating housing assets without the complete technical preparation of the installations, using mathematical models of the technological processes;

Developing effective management systems with a direct "man-machine" interactive interface using integrated data teleprocessing, machine economic analysis and the electronic synthesis and analysis of speech.

A number of positive results have been obtained with the realization of the mentioned methods. The research on management operations using electronic computers is significantly raising the validity of organizational drafts. Elements of this approach were used in the organizational structure of Mogilev Oblast housing and municipal services enterprises, which was introduced last year. A full-scale multi-factor model of the organizational structure for Gomel Oblast has been developed; it will be introduced as the base one in all of the republic's oblasts. The use of electronic computers and applied programs has significantly increased the scientific validity of recommendations and has permitted multi-variant calculations forecasting the social and economic development of the branch out to the year 2000 to be made. Economical draft decisions have been found when working on the tasks of controlling the technological processes of Minsk's water supply and urban electrical transportation traffic. These permit technical means to be increased directly during the functioning of the systems.

Modern scientific and technical achievements, essentially those expanding opportunities that insure easy access and intercourse with electronic computers and those permitting the individual functions of man in the sphere of management activity to be modeled, were used when creating the economic and organizational automated control systems. The "Intellect" operational and management system, which realizes the basic principles of "paper-less" management technology, has been developed and introduced by the branch scientific organizations in conjunction with the Moscow Department of the Central

Communications Scientific Research Institute (USSR Ministry of Communications). This system insures the automatic receipt of data over communications lines, its control and "reading", the dialing of a subscriber's telephone number or answering his call, and a vocal report to the subscriber on different types of information, including:

An evaluation of the performance of the plan for basic technical and economic indicators in connections with all types of the branch's activity;

The revealing of types of activity and services that are exerting an influence on the successful fulfillment of the plan;

The establishment of the circle of enterprises and organizations which are having the most effect on lowering the planned indicators;

A forecast of the fulfillment of the annual plan according to basic technical and economic indicators expressed in kind and in costs for the different types of activity and services;

A determination of the series of measures, which would insure the fulfillment of the annual program according to basic indicators, and other information, which would permit a correct management decision to be made.

The activity range of the "Intellekt" system is wide and diverse. When necessary, it is possible to call to the display screen more detailed information--from daily to monthly (all told, there are more than 300 reports). This permits a decision to be made without the preliminary study and analysis of numerous operational (primary) data. The ministry, enterprises and organizations of republic subordination, and oblast (branch) departments have been included in this system.

The technology for intercourse with the system is very simple: It is sufficient to dial its number using an ordinary city telephone. A series of coded inquiries using the dialer's telephone permits a complete picture of the activity of this or that organization of the branch to be compiled in general within a few minutes. Thus, based on February's 1982 results, the system determined that repair-construction work, in particular the repair of housing according to the population's orders, was the weakest link today out of the 20 types of activity being performed by the enterprises of the branch. It is just as simple to find out what the forecast is for the fulfillment of the plan (for the first six months or year) and to obtain information on its fulfillment based on capital investments and labor productivity and on the effect of the number of workers on the fulfillment of production volumes and the progress in carrying out other tasks. The system easily responds to calls from radio telephones, international telephone stations and the telegraph.

Tens of thousands of statements, requests, complaints, directions, etc. arrive annually in the Ministry of Housing and Municipal Services. The timely reacting to them and the correct solution of the questions that are raised in them is one of the indicators of the branch's qualitative work. The "Intellekt" system permits the progress in implementing the measures, which have been

outlined in this plan, to be monitored. It warns about those whose performance period is expiring. The obtaining of operational information on a broad range of questions requires quite a small bit of time -- several minutes. A great deal of time, involving a wide range of people, would be expended to obtain similar operational information under normal conditions. Based on this, it is possible to define the distinctive indicator of the system's effectiveness -- approximately 5,000 rubles per hour (based on the total wages of the workers replaced by the machine).

The near-term prospects for using the "Intellect" system are in managing technological processes that embrace a large territory. The creation of individual automated control systems for these processes requires a large capital investment and a long time. For example, automating the water supply process of a city like Minsk can cost five-six million rubles. They came to the branch in a more economical way: a mathematical model for the water supply process, which was incorporated into the "Intellect" system, was developed. Information on pressure parameters at the control points is reported to the machine's memory by teletype. The electronic computer, working with the mathematical model, issues recommendations to the supervisor on changes in the operating conditions at the station.

There is one other long-range application of the "Intellect" system -- the development of a series of model to evaluate economic situations. They permit pre-plan and plan calculations to be made with a consideration for balancing the main indicators of production and economic activity. The first tests of making these calculations are already showing that the conducting of a dialogue with the machine using codes is extremely awkward. Essentially, directors must be taught programming, even if only the simplest codes. That is why the specialists are today working on the problem of incorporating voice commands into the machine.

The experience in using economic mathematical methods and computer equipment for management purposes using a system approach shows that this is the main thing today in improving the effectiveness of the branch's activity. A system approach permits all processes to be examined reciprocally and in correlation, the main thing to be singled out, and the secondary one to be ruled out, i.e., the shortest path to achieving the goal to be found.

The November 1982 CPSU Central Committee Plenum decree says that the most important task is to increase in every possible way the level of the work to further improve the planning and management of the economy and to improve management style and methods. The efforts of the specialists in our branch have also been directed toward the solution of these problems.

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CSO: 1827/278

HOUSING AND PERSONAL SERVICES

OLD AGE PENSIONS INCREASED

Moscow TASS in English 1122 GMT 1 Aug 83

[Article by TASS commentator Aleksandr Kozlov]

[Text] Moscow, 1 Aug (TASS)--Additions to old age pensions in the Soviet Union have been increased from 10 to 20 percent for workers, peasants and employees who have worked at one enterprise or institution for at least 25 years. To qualify for such an addition to pension, women need to have a length of service of at least 20 years at one place. This was reported recently by the central statistical board of the USSR.

It would be recalled that men in the Soviet Union have the right to retire at the age of 60 and women on reaching 55. Certain categories of workers and employees--such as workers in metallurgical industries, textile and chemical workers and miners--may retire 5-10 years earlier. Miners may go on pension at 50.

Soviet working people do not make any contributions to the social insurance fund. It is the plants and institutions that pay for them. These funds are controlled by the Soviet trade unions.

Pensions in the Soviet Union are paid entirely at the expense of the state and on the strength of the law which not only proclaims, but actually guarantees, maintenance to every person in old age, in the event of disease or the loss of the breadwinner.

There are now over 50 million pensioners, or about 19 percent of the population, in the Soviet Union. About 60 percent of the people of pension age continue working. Many of them draw fully both their pensions and wages.

The system of services for pensioners in the Soviet Union is being constantly improved. There are special boarding houses and homes for old-age pensioners where they have all the necessary medical and other services and food. Care of citizens who are no longer able to work is considered by the Soviet state one of its major concerns.

CSO: 1812/244

HOUSING AND PERSONAL SERVICES

STANDARD OF LIVING TABLE

Moscow VESTNIK STATISTIKI in Russian No 7, Jul 83 p 60

[Table: "Growth in the People's Material Well-Being and Standard of Living"]

[Text]

	1913	1940	1970	1980	1982
Growth of national income produced (1913 = 1)	1	5.3	46	75	81
Growth of per capita real income (1940 = 1)		1	4.0	5.8	6.0
Growth of industrial production of consumer goods (Group B, 1913 = 1) . . .	1	4.6	30	50	54
Payments and benefits received by the population from social consumption funds (1940 = 1)		1	13.9	25.4	27.8
Retail trade turnover of state and co- operative trade (1940 = 1)		1	6.3	10.6	11.1
Total (usable) area of urban housing stocks (at the end of the year): total, in millions of square meters	180	421	1,542	2,202	2,354
average per urban resident, in square meters	6.3	6.5	11.2	13.1	13.6
Introduction into operation of total (usable) area of apartment houses, in millions of square meters	--	24.5	106.0	105.0	108.0
Total number of school enrollees, in millions of persons	10.6*	47.6	79.6	100.2	105.7
Number of students at higher educational institutions (at the beginning of the academic year): total, in thousands	127.4*	811.7	458.6	5235.2	5315.2
per 10,000 of population	8	41	188	196	196
Number of children in permanent pre- school institutions (at the end of the year), in millions	0.005*	2.0	9.3	14.3	15.1

	1913	1940	1970	1980	1982
Number of public libraries (at the end of the year), in thousands . . .	13.9	95.4	128.0	132.0	133.2
Number of cinemas (at the end of the year), in thousands	1.5*	28.0	157.0	152.6	151.4
Attendance at motion pictures, in millions	106*	900	4652	4259	4209
Circulation of books and pamphlets, in millions of copies	99	462	1362	1760	1925
Number of physicians in all fields of specialization (at the end of the year):					
total, in thousands	28.1	155.3	668.4	997.1	1071.2
per 10,000 of population	1.8	7.9	27.4	37.5	39.5
Number of hospital beds (at the end of the year):					
total, in thousands	208	790.9	2663.3	3324.2	3443.0
per 10,000 of population	13	40.2	109.4	124.9	127.1

* 1914

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HOUSING AND PERSONAL SERVICES

SOCIAL INSURANCE PROGRAM EXAMINED

OW191253 [Editorial Report] Moscow Domestic Television Service in Russian at 0550 GMT on 18 June carries the 30-minute "Political Observer's Talk" program with Lev Aleksandrovich Voznesenskiy on the Soviet social insurance system.

Voznesenskiy begins the program by noting that Soviet people have confidence in the future, what he calls "social optimism," and that the material basis for this optimism is the social insurance system that has been administered by the trade unions for the past 50 years.

After introducing his guests, Aleksandra Pavlovna Biryukova, member of the CPSU Central Committee and AUCCTU secretary, and Gleb Silovich Simonenko, deputy chief of the AUCCTU Department for State Social Insurance, Voznesenskiy introduces a video report on the Chelyabinsk pipe rolling plant. Over video of sanitoriums and people at rest centers, the plant's trade union committee chairman discusses his enterprise's social insurance fund and its utilization, citing some figures on social benefits to pensioners, children and workers.

Returning to the studio, the panel discusses reasons why the trade unions have been made responsible for state social insurance and the principles behind the organization of this system today. Biryukova outlines the history of AUCCTU's administration of social insurance and gives a broad sketch of how it is run today. She dwells on the preventive measures implemented by the social insurance program to improve working conditions and maintain the health of workers.

An interview follows with a physician at the Chelyabinsk plant's clinic, with video showing workers undergoing treatment. Biryukova then adds: "Today there are 2,700 such sanitoriums and clinics in our country and this year alone 3.3 million people will restore their health there. I would like to say also that there are no such health-improving establishments directly at enterprises in any capitalist country." Biryukova then reports that the 1983 USSR State Social Insurance budget will provide 1.7 billion rubles for treatment and relaxation facilities at sanitoriums and resorts, that nearly 10 million people are treated annually at trade union health resorts, and that another 50 million people spend time at guesthouses, holiday centers, and enterprises' rest centers. Biryukova also notes that not all requests for sanitorium treatment can be satisfied and therefore a special resolution was adopted by the CPSU Central Committee, USSR Council of Ministers, and

the AUCCTU for a development program for sanatoriums and health resorts until 1990 and that new sanatoriums and other facilities accommodating 60,000 people will begin operating in the 11th 5-year plan period.

Simonenko then speaks about social insurance for families with children and for the population in general, mentioning the introduction of various pensions in the USSR for the raising of infants, child endowment and other purposes. At this point, Biryukova notes that Soviet social insurance expenditure has increased 87 times since 1933 and amounts to 44 billion rubles in 1983.

Voznesenskiy then notes that social insurance benefits "support" the person as a member of society and the main productive force of society. This leads to a reduction in manpower turnover and an increase in job satisfaction. An interview follows with the manager of the Chelyavinsk pipe rolling plant, who talks about recreation and health facilities at his plant while video shows these facilities.

In conclusion, the panel discusses the health facilities factor of the social insurance system which leads to reduced absenteeism due to illness. Simonenko adds that every worker should be concerned about his health and that attention should be paid to eliminating "harmful habits" such as smoking and drinking. He also notes that distribution of social insurance funds should be effected while taking into account the labor contribution of workers. Biryukova reiterates that improvements in the social insurance system should be constant and that benefits are related to workers' labor contributions. She mentions the new law on labor collectives adopted "yesterday" at the eighth session of the USSR Supreme Soviet, which indicates that the program was recorded on 18 June.

CSO: 1827/297

HOUSING AND PERSONAL SERVICES

HOSPITAL 'IN DEPLORABLE STATE'

[Editorial Report] Tbilisi KOMUNISTI in Georgian on 19 April 1983 page 4 carries Larisa Khubuluri's 700-word photo-essay account of the birth of a baby girl to the happy Khachapuridze family, their 10th child (nine living) in Tbilisi's Maternity Hospital No 5, where friends, relatives, and the hospital staff have bedecked the ward with flowers. But: "I would conclude this article at this point if it weren't for one lamentable fact that spoils the sight of this family's happiness: I refer to the deplorable state of Maternity Hospital No 5.... My question is, should a building that doesn't have even the most rudimentary conditions for a medical facility really be called a maternity hospital?" As it happens, all the other Khachapuridze children were also born in the same facility.

CSO: 1813/828

CONSUMPTION TRENDS AND POLICIES

PRAVDA'S 'BUSINESS CLUB' REVIEWS ACUTE CONSUMER GOODS PROBLEMS

Moscow PRAVDA in Russian 30 Jun 83 p 3

[Unsigned article: "Goods: Assortment and Quality," followed by "Afterword to the Session" signed by K. Yelyutin and M. Stepichev]

[Text] The increase in the production of products in mass demand and the expansion of the service sphere in conjunction with the Food Program are a central part of the social program ratified by the 26th CPSU Congress and must be a central concern of all party, Soviet and trade union organs and of all ministries and departments.

The saturation of the market with a broad assortment of high quality goods in the shortest possible time is the principal condition to improving trade. "What is more," Yu. V. Andropov noted in his speech at the June (1983) Plenum of the Party Central Committee, "the highest standards of quality must be unstintingly adopted. All branches of the economy and all enterprises must make their contribution to the replenishment of commodity resources. The strengthening of cooperation between trade and production is a key element in strengthening the cooperative effort between trade and production. How can it be improved? What is the role of trade organizations in supplying the population with goods and in improving their assortment and quality.

These and other important questions were discussed by participants in the regularly scheduled session of the PRAVDA 'Business Club' which explored the best and fastest ways of fulfilling plans for producing goods for the people, of increasing the responsibility of ministries, enterprises and trade organizations for increasing production, for improving the mix and improving the quality of products in mass demand.

Demand is growing, but what about supply?

N. Shcherbakova, weaver at the "Trekhgornaya manufaktura" Combine; deputy to the Moscow City Soviet:

"I work in a mill where the shops are brightly illuminated and the weaving looms are highly productive. Owing to the new equipment, we have begun producing more textiles, many of which have been awarded the state Quality Emblem. And yet shoppers sometimes leave the store without buying anything

even though at first glance there seems to be a sufficiency of goods in all departments. But you walk through the showroom without buying anything. Why? Because there are few high quality, stylish items. Occasionally the stores do not stock the simplest items which have to be shipped in because they are not locally produced."

A. Kochurov, manager of the Moscow GUM:

"The country's largest department store sells more than a billion rubles' worth of goods annually. With such turnover, we devote particular attention to the recommendations of our marketing and consumer demand research department. But unfortunately our orders are not always the law for production.

I do not by any means believe that industry alone is to blame for the shortage of certain items and for the glut of some unsalable goods. The commercial trade services also make mistakes. But we can only sell the things that are produced. For example, how did we place our orders in 1983 for a number of highly popular sewn and knitted goods? We requested our suppliers to produce 1.5 million rubles' worth of artificial-fur-lined women's raincoats. The order will be fulfilled by only 38 percent. They promise to satisfy the order for dresses made from mixed textiles by 18 percent and to fill the order for women's artificial leather coats by 5 percent.

What is more the practical fulfillment of orders will evidently be even lower as a result of various production factors: the lack of raw materials, dyes, accessories, etc. From the very beginning of the year, GUM began receiving letters from many textile mills demanding the replacement of highly popular fabrics that were ordered at a wholesale trade fair. We are still receiving a considerable number of letters of this type. Every year the department store suffers a shortfall amounting to tens of millions of rubles' worth of needed goods."

Yu. Troshin, general manager of the Moscow "Vypel" Sewing Production Association:

"People today are primarily interested in buying high quality, fashionable products. Everyone supplying the population with consumer goods must take this fact into account. Only by displaying initiative and socialist enterprise is it possible to satisfy the discriminating demand of the customer. Our association, for example, produces 190 million rubles' worth of women's coats a year. Naturally, everyone--from seamstress to manager--is concerned with the appearance of our product when it reaches the customer. Therefore we have installed new equipment which we use to steam the finished product. We have also installed three mechanized lines enabling us to deliver carefully pressed coats on hangers from the shop to the store...."

S. Sarukhanov, USSR deputy minister of trade:

"Indeed, everything is important to the shopper: the appearance and quality of a product, the friendliness and responsiveness of the sales personnel, and the assortment of products.

The volume of their production is growing throughout the country. Take refrigerators, for example. Every year, more than five million refrigerators of various brands are delivered to the retail network. There are 88 refrigerators for every 100 families in the USSR. The supply of many other consumer goods to the population is also on the rise. In 1982, retail turnover in state, cooperative and kolkhoz trade amounted to more than 304 billion rubles.

At the same time, the quality of trade services lags behind the growing demands of the customer and modern demands that are made on that branch. In our view, the main reason by certain goods vanish from the counters lies in the imperfection of the mechanism underlying interrelations between trade and production. Frequently some of our suppliers work not for the customer but rather for the sake of fulfilling their own indicators."

"Can you cite an example?" someone in the audience asks.

"Last year," S. Sarukhanov replies, "the country's furniture production increased by 4.1 percent in money terms compared with 1981, but the production of highly popular chairs, stools, armchairs and beds decreased. How, then, did the furniture factors fulfill their plan? Primarily by means of costly, "profitable" items. But trade has the obligation of considering the customer's need for any product irrespective of its cost.

A five-year agreement has been concluded between the main administrations of the USSR Ministry of Trade and industrial associations in the interest of increasing the responsibility of the USSR Ministry of Trade and industrial ministries producing consumer goods for the more complete satisfaction of the population's demand. The agreement, which has now been put into effect, calls for the early introduction of the basic, evaluative indicator for plants and factories--the fulfillment of commitments stemming from contracts and orders--as noted in the decree of the Central Committee of the Party and the government on the question of observing contractual commitments. It is specifically the delivery of products in accordance with concluded contracts that is the end result of the economic activity of enterprises, associations and the branch as a whole.

If trade's order, which reflects the population's real need for commodities, is not fully satisfied or is not filled in the way specified in the contracts, there will be a shortage of some goods and a glut of other, so-called unsalable goods."

A. Pleshev, chief, Main Administration for Trade in Industrial Goods, RSFSR Union of Consumer Societies:

"Comrade Sarukhanov is right. We must avoid such situations and work with total regard for customer demand. Russian cooperatives are helped in this regard by the trade-production association which produces 50 million rubles' worth of all manner of products for people living in rural areas. The association includes the Armavirskaya Sewing Factory which manufactures headgear; the Psebayaskaya Sewing Factory, which produces bed linen and men's and children's shirts; the Tuymazinskaya Sewing Factory which manufactures cotton apparel for women and children; the Otradnenskiy Fur Combine; and the Armavirskaya, Dagestan and Ufa wholesale bases.

Goods produced by the association are shipped to the retail trade network with a sales guarantee, i. e., if they are not sold within a specified period, the store is entitled to return them to the association.

New fashions and models are designed by experimental shops at industrial enterprises that receive information from model centers. The association's technical art council, which is staffed by representatives of production enterprises and trade organizations, examines new products developed by the factories.

The collective at the Tuymazinskaya factory has introduced a complex of measures to improve the production flow which enabled each producer to calculate output and wages on a daily basis. The maintenance of a daily performance card on each worker has been instrumental in increasing labor productivity, in reducing defective production, and in reducing the number of flawed products that must be returned for correction within the factory. During all the years of the 10th Five-Year Plan, the factory has not received a single complaint about product quality. This experiment has justified itself and we are convinced that it must be diffused even more widely.

At state sewing enterprises, the growth of labor productivity is evaluated on the basis of the cost of production rather than gross output. The same procedure has been instituted at cooperative sewing enterprises which motivates them to produce products that are inexpensive but that are fashionable and in demand among the rural population.

S. Pleshanov, director of a trading organization; member of the bureau, Purmanovskiy Gorkom of the CPSU, Ivanovo Oblast:

"In addition to increasing the responsibility of central ministries and departments for satisfying the population's demand, it is essential that local industry show greater initiative where consumer goods are concerned. In this regard, it is useful to recall the great importance that V. I. Lenin attached to managerial gumption and enterprise. In April 1921, he wrote: 'Let us have initiative and local action rather than begging: if I were given....For shame!'"

Our own seasonal fruit and vegetable processing shops, sauces production shops, fruit drink shops and baking shops help us to satisfy the consumers' demand more completely. These questions are always at the center of the attention of primary party organizations, the local Soviets, and the gorkom and obkom of the CPSU."

Control throughout the entire chain

Ya. Orlov, department head, Correspondence Institute of Soviet Trade:

"Omsk and Saratov Oblasts ably and diligently replenish their commodity stocks through their own efforts. The Siberians' meat purchases from the population, for example, account for 69 percent of the meat produced on personal household plots. In Omsk Oblast, the share of sales of meat products obtained from noncentralized sources was 48 percent in 1981 compared with 35 percent in 1975.

All plants and factories in Saratov Oblast are called upon to produce various kinds of consumer goods irrespective of their departmental affiliation. And while 25 products were until quite recently listed as being extremely scarce, today they can be found in stores everywhere. The Saratovites are successfully solving the problem of eliminating the need to ship in the simplest cultural, everyday and household goods and of completely satisfying the need for everyday "trifles" from local sources."

2. Nesova, head of the "ready to wear" department, TsUM:

"If after a wholesale trade fair, we were to hold a sale of the items displayed by plants and factories, I am certain that there would not be a single item left. But trade, which enters into contracts with suppliers at the wholesale trade fair, frequently offers shoppers goods that have little resemblance to the items exhibited at the fair...Why is this the case?"

G. Oganesyan, commercial director, "Children's World" [Detskiy mir] Moscow trade firm:

"The practice of repeatedly adjusting and amending the production plans of plants and factories does not by any means improve the situation in the commodity market. This is specifically where the disparity between items displayed at trade fairs, the goods offered for sale in the stores and the population's money incomes begins.

In order to satisfy consumer demand more completely, interested ministries and departments must raise the economic responsibility of enterprises for delivering products that fail to conform to ratified standards and models. Naturally, plants and factories may have difficulties with raw materials, equipment, etc. But the amendment of plans frequently camouflages other shortcomings. There is enough material to make an expensive children's automobile (almost full-scale), but no material is left from which to produce inexpensive children's toys."

I. Gritsenko, USSR deputy minister of light industry:

"In order to ensure the "equality" of all goods--inexpensive and expensive--economists believe that enterprises should be made to compensate all losses resulting from the nonfulfillment of orders from trade. It is recommended that the compensation be paid from enterprise profits in the belief that such a procedure will correspond most closely to the ultimate goal of production: the satisfaction of the population's requirements. Indeed, if, let us say, a knitting mill does not deliver the required goods to the retail network, trade should not bear the losses. These losses must be charged against the guilty party.

However in our view the customer's order must not be viewed only as a contract between the ministries of trade and light industry. This is only one link and disruptions must be eliminated all throughout the chain involved in the birth of a product.

In 1970, for example, we produced nine billion meters of textiles for which 73 thousand tons of dyes were required. Ten years later, the production of textiles increased by two million meters, but the chemical industry reduced its delivery of dyes to 64 thousand tons. Naturally such a disparity was reflected in the quality of our product. Or let us take synthetic fibers which are absolutely essential to every textile mill. Last year, the chemical industry supplied us with 60,000 tons less of this raw material than it was supposed to. This naturally affected the product mix of light industry. Moreover, we settle accounts with trade for breach of contract in retail prices, while those who failed to keep their word to us pay fines in significantly lower wholesale prices. Thus, the one responsible for a shortage is for the time being in a more advantageous position."

Yu. Troshin, general director of the Moscow "Vypel" Sewing Production Association:

"Perhaps organs of the USSR State Committee for Standards should assume all responsibility for monitoring the entire chain of consumer goods production?"

I. Isayev, deputy chairman, USSR State Committee for Standards [Gosstandart]:

"Every year, we conduct more than 12,000 quality checks on consumer goods. Gosstandart supervises the institution and observance of standards and specifications in the production of commodities and enlists the aid of specialists from various branches of the national economy in the work. But, I emphasize that we conduct spot checks. Gosstandart checks every enterprise in the country once every 2 or 3 years on the average. Total quality control of all output is the responsibility of the quality control department of industrial enterprises. The quality control department is the main controller.

The USSR Ministry of Trade could also significantly reduce the number of goods that do not enjoy demand if it participated in the development of new products from the very beginning as stipulated in the state standards. But the seller today usually influences changes in consumer properties of a new product only when the product is in the acceptance stage, at a time when all production operations are completed and the money has been spent.

After all, volume also has an influence on trade. We cannot forget the fact that the trade turnover plan--the main indicator used to evaluate the work of the branch--stimulates increases in the sales volume in value terms. This is why merchandising specialists sometimes close their eyes to various shortcomings in costly items. Here is an example. In 1981, we conducted a comprehensive check on the quality of color television sets. USSR Gosstandart stripped a number of models of the Quality Emblem but we did not receive any claims from trade whatsoever--color television sets then were in short supply...."

Yu. Zhukov, deputy chairman, USSR State Committee on Prices:

"The structure of trade turnover improves not only as a result of the stimulation of the production of new products but also as a result of the curtailment or elimination of production of items that are not in

demand. At the request of ministries of trade of union republics, pricing agencies are authorized to discount the wholesale prices on such products. And in order to avert a buildup and to reduce the cost of storing unsalable products, trade should organize regular seasonal sales and use all funds allocated for discounting. These sales should be held shortly before the end of the season when all surplus products in the market can be sold.

The contract is dearer than money

K. Arutyunov, deputy minister of instrument making, automation equipment and control systems:

"Thirty percent of the volume of production of all the enterprises in our branch consists of consumer durables. And we are naturally interested in close ties with trade. For example, there was a decline in demand for jewelry and at the request of the commercial services, our specialists updated 70 percent of the assortment as early as 1982. Naturally, in connection with changes in the market, our enterprises had to improve the study and satisfaction of consumer demand. This will be promoted by the consumer's more active influence on the evaluation of the work of industry. After all, just because a plant has produced a good and shipped it to the wholesale base thereby fulfilling its plan, this does not in any way mean that we have satisfied the population's demand.

In order to improve its supply, some economists propose altering the procedure for allocating raw materials and supplies to enterprises. When we set out for the wholesale trade fair, we must know what kind of material resources we will have at our disposal in the following year. Raw materials and supplies should be allocated to production for a specific "portfolio of orders" after contracts have been concluded with trade. The cart should not be put before the horse, which unfortunately is the situation that we frequently encounter when terms are dictated by the supplier rather than the customer.

There is yet another important principle. The recent decree of the CPSU Central Committee and the government on improving the consumer goods supply in 1983-1985 recommended that ministries and departments of the USSR take effective measures to effect dramatic improvements in product quality. It proposes that in response to the request of trade products that do not enjoy demand should be taken out of production and the prompt transition should be made to the production of new products that meet the higher demands of the population."

V. Zaytsev, chief artistic director, Moscow Fashion Center:

"The substantiation of orders for goods and the degree of satisfaction of the need for them are two sides of one and the same problem. Hence the concern for its resolution must also become the common cause of industry and trade. Of course it is no easy matter to make clear recommendations to industry on increasing or reducing the production of various consumer goods. Already in the stage of drafting orders and long-term contracts,

we should refer not only to our knowledge of yesterday's demands but should rely more on the assistance of artists and take our orientation toward the needs and fashions of tomorrow. Our country has many able and talented model makers who invariably win recognition at international exhibits. They have the ability to look into the future and create smart, practical and quality things for any taste and age.

And yet in my opinion, light industry does little to take the interests of actual people into account and works for a faceless consumer. Our stores are filled with mediocre products."

V. Sidoy, director of the Chelyabinsk Trade Center:

"People at every level must be motivated to bring the greatest possible quantity of high quality products to the customer. We, for example, primarily deal in goods that are produced in our Ural region. Every day, the trade center is visited by more than 50,000 shoppers. And many of them leave with their purchases. How do we achieve this? Through carefully organized control of the entire chain of movement of products from the factory conveyor to the counter. It is superfluous to say that the fulfillment of trade's orders must be economically advantageous to enterprises. We have concluded cooperative contracts with 55 local production flows that supply the center with footwear and various sewn goods and have indicated our full confidence in our suppliers who have guaranteed the high quality performance of all production operations. And if by chance a flawed product is detected, it is returned immediately to the brigade that produced it so that it can be corrected. Incidentally, the evaluation of the labor of collectives of all 55 production flows and their material and moral stimulation depend directly on the fulfillment of all terms of the contract with the trade center.

Every day we study the customers' opinions of the footwear they buy. The opinions are tallied and on the following day are entered on a special board in the suppliers' production shops and in our footwear sections. The bonuses awarded to brigade collectives and to sales personnel are based on these evaluations.

Our system of contract prices on the first experimental lots of goods promotes the further renovation of the assortment and improves the quality of the product. At the center, we have established a special "Etalon" department which in conjunction with industry has the mission of organizing the production and sale of especially fashionable items. Our new subdivision has established direct ties with a number of sewing factories that have organized sectors that produce clothing in small series. People queue up 2 hours before the center opens to buy this clothing. It sells like hotcakes, as the saying goes.

A. Orlov, director, All-Union Scientific Research Institute for the Study of Consumer Demand and Market Conditions:

"It is true that many place the emphasis on the study of demand in order to produce goods that will sell briskly. Today more than 60 of the nation's industrial ministries are engaged in the production of goods. Most of them do not systematically study consumer demand and do not have

long-term programs for shaping demand with regard to the growth of the population's needs. But since the work of plants and factories manufacturing consumer goods is for the most part still evaluated on the basis of output volume, they presently have no direct motivation to satisfy the orders of trade organizations with regard to assortment. Enterprises try to fulfill their own plans primarily by producing products that are "profitable" to them. They supply the retail network with an abundance of such products. We believe that in order to correct the situation, it is necessary to introduce the indicator "degree of satisfaction of orders of trade" to the evaluation of the performance of all enterprises engaged in the production of [consumer] goods. In addition to the volume of retail trade, plans for the social and economic development of the country should also include such an indicator as the degree to which the level of rational consumption has been attained. In other words, the indicator of satisfaction of people's needs."

K. Bol'shakov, RSFSR first deputy minister of trade:

"One occasionally hears the opinion: if you haven't ordered a product, don't accept it. That's the best way of influencing production. But the discrepancy between a product and the terms of the contract is not discovered until the product has already reached the wholesale base. When it is found that the color or the style is wrong, it is necessary to make a decision: either to sell the product or to return it to the supplier. However, the return of products is usually associated with the irrational expenditure of our financial resources and it is not always possible to solve the transport problem if the supplier is many thousand kilometers distant. What is more, the store is faced with a dilemma toward which it cannot be indifferent: if it returns a product can it count on having a product to replace it in the near future?

A. Vaksyan, editor, department of legal work in industry, KHOZYAYSTVO I PRAVO:

"The legal acts that have been in effect until recently did not contain norms promoting the organization of long-term economic relations between industry and trade. The new regulations on deliveries of consumer goods directly state that relations between them are henceforth based on the "uninterrupted supply of trade enterprises (organizations) by industrial associations, enterprises and organization (in response to their orders) with a broad assortment of high-quality goods with due regard to the population's demand and its ethnic and social aspects."

According to the new regulations, long-term contracts make provision for the delivery of products of a given description and quantity in a group assortment for a five-year period broken down by year. The specific, detailed assortment of goods is appended to the contract for the first year of the five-year plan and for each subsequent year and is coordinated on the basis of the customer's orders. These terms, like the price of a product, are included under the basic points of the contract and in

In their absence, the contract is not considered to have been concluded. Created thereby is the quite precise mechanism whose function is to promote an improved form of interbranch relations corresponding to the vast scale of production in our country and the higher demands that are made on the assortment and quality of consumer goods.

Afterword to the Session

What is the main criterion that should be used to evaluate the work of ministries and departments engaged in serving the population? This criterion is the degree to which the branch has satisfied society's constantly growing needs. Participants in the meeting approached the discussion of questions on the agenda of the 'Business Club' from this standpoint.

The quality of service in trade is in large measure determined by the assortment of goods available in the stores. Another point of discussion was the premise that the order of the customer, of trade must be the basis of the production plan, that associations and enterprises must precisely fill the customers' orders on the basis of concluded contracts and orders in the established volume and mix.

Each branch of the national economy must make its contribution to the effort to saturate the market with goods. Here it is necessary to make better use of local resources and internal reserves. It is important to make a careful examination of the state of affairs with production at each plant and factory. For the first time, councils of ministers of union republics, many ministries and departments, including heavy industry, have been assigned plan targets for consumer goods production per ruble of the wage fund. Questions regarding the money incomes of the population and the production of consumer goods are thereby combined under a single heading not only for the country as a whole but also for individual republics and oblasts. The fulfillment of obligations regarding contracts and orders of trade should be the basic indicator for evaluating the performance of enterprises engaged in consumer goods production.

Participants in the session analyzed the situation with respect to the production of inferior products and correctly emphasized the need to use all forms more fully. In particular, this means following the recommendations of trade and taking out of production products that are not in demand as well as making the transition to the production of new products meeting the population's higher demands.

The decree of the CPSU Central Committee and the USSR Council of Ministers in observing contractual commitments on deliveries notes: the nonfulfillment of contractual commitments must be qualified as a serious disruption of plan and state discipline. Party and Soviet organs must supervise increases in consumer goods production and the inculcation of a feeling of high responsibility for the quality of trade service. The Moscow, Leningrad and Sverdlovsk Party Gorkoms have amassed valuable experience in this regard.

"Local party and Soviet organs," Comrade Yu. V. Andropov stated at the November (1982) Plenum of the CPSU Central Committee, "must become completely involved in the production of consumer goods... Indeed it cannot be deemed normal that the question of producing a number of commonplace items is resolved virtually at the level of USSR Gosplan. It is essential that local organs take over this problem and assume complete responsibility for its solution."

The improvement of planning, the implementation of measures indicated by the party and the improvement of the economic mechanism are most important factor in increasing the effectiveness of social production. And it is the task of those who produce [consumer] goods and who convey them to the customer through their labor and talent to use this vast reserve for the good of the people, for the good of our Homeland.

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CONSUMPTION TRENDS AND POLICIES

LIGHT INDUSTRY OFFICIALS DISCUSS PROBLEMS

Moscow IZVESTIYA in Russian 9 Jun 83 p 2

Article by V. Sukhachevskiy: "Shortages With a Surplus: Organization, Discipline, Responsibility--These are the Reserves for Improving the Performance of Light Industry"]

[Text] The state of the consumer market today can be described with the concise axiom: shortages with a surplus. Let us decipher this axiom. The matter of shortages is clear. Both the statistics and numerous reports from readers at various locations indicate that there is still a shortage of many consumer goods in the stores. With respect to the surplus, it also exists. During the first 2 years of the current five-year period light industry has produced 673 million rubles worth of consumer goods over and above the plan. Why is it that these truly impressive facts lose their force as soon as we cross the store's threshold.

This question has long since ceased to be a puzzle. In the first place, total quantity of consumer goods and saturation of the market with the needed assortment are not one and the same thing by far, and in the second place, the consumer qualities of a number of goods are such that they sell poorly and pile up at the warehouses of enterprises and those in the trade system.

This is illustrated by the following statistics: Light industry did not fulfill assignments for the first 2 years of the five-year period for the production of cotton, wool and silk fabrics; the tailors were short by a billion rubles worth of products; and the shoemakers produced 51 million pairs of shoes less than called for in the plans. In general, there is a shortage of needed, fashionable items, and a surplus of products not in demand. Despite a certain improvement, the situation is just about the same this year. There has been a marked deterioration in the performance of light industry enterprises of the Russian Federation, Georgia, Azerbaijan and especially, Armenia, where during the first 4 months plans were not fulfilled for 11 of 23 types of essential items and products in general use. Production of a number of articles has dropped there, compared with the corresponding period of last year.

The quality of consumer goods is still a pressing problem. Last year 9 percent of the fabrics, more than 8 percent of the sewn goods and 9 percent of the footwear inspected were reduced in grade or returned for corrective work. Things are

not any better this year. Once again the "tone" is being set by the light industry workers of Azerbaijan, Georgia and Armenia. For a number of articles as much as 25-30 percent of the products inspected in those republics are rejected.

When we speak of the reasons for the inadequate satisfaction of consumer demand, many of the leaders of associations and enterprises are inclined to see the root of the evil in the shortage of raw materials alone. In general, this is truly a serious problem. During the first 2 years of the five-year period the chemical workers shorted light industry by more than 150,000 tons of synthetic fabrics and threads, primarily those which significantly improve the product quality. All of this is so. Large deficiencies in the organization of production and the low level of discipline are the main causes of the problem, however. After all, practically all of the branch enterprises operate under identical, fairly difficult conditions. The results of their operations differ substantially, however. We have already mentioned the lagging enterprises. Now let us name those which are stillally processing objective difficulties. These are primarily the light industry workers of Belorussia, Uzbekistan, Kazakhstan, Lithuania and Estonia.

Let us return to the raw materials problem. It is one of the central problems this year and will continue to be one throughout the rest of the five-year period. We must underscore the fact that the branch has considerable reserves in this area. Take the so-called production byproducts, as an example. Strictly speaking, there should be none of these at all. Production remnants are another matter. They are frequently unavoidable. But although they are remnants in one industry, they could help to make up the shortage of raw materials for another. And the quantity of these remnants depends greatly upon the skill of the workers, the technical condition of the equipment and ultimately, upon our ability to handle the materials with thrift. What is the situation in light industry? Last year above-plan byproducts were estimated at 170 million rubles.

When we talk with the workers of certain footwear enterprises, the first thing they complain about is the shortage of raw materials. This is what some inspections brought out, however. Overconsumption of raw leather amounted to 76 tons at the Kokanda Box-Calf Leather Plant last year, 117 tons in the Dushanbe Leather and Footwear Production Association, and 321 tons in the Baku Leather Association.

Enterprises operating under equal circumstances frequently have directly opposite results from their operations. The production of children's sweaters is unprofitable at the Soroki Outer Knitwear Factory, for example, while exactly the same articles are produced with a profitability of almost 13 percent at the Brevary Factory. Material outlays for the production of men's boots exceed the norm by 1 ruble 34 kopecks at the Vitebsk Shoe Factory, while they are 1 ruble 30 kopecks below the norm in the Transcarpathian Footwear Production Association. The quantity of output, product quality and the economic wellbeing of any enterprise, as we can see, is directly dependent upon its ability to operate well.

Let us take another kind of example. During the first 8 months of this year the plan for the production of cotton yarn was fulfilled by only 99.1 percent. The other 9 tenths of a percent represents 5,000 tons of yarn, which could have been

produced but was not. It was not produced because the new pneumatic spinning machines are being poorly operated. Most of them operate at less than the specified chamber rotation speed, as a result of which approximately one fourth of this high-output equipment was actually idle. A study has shown that the main cause of the unsatisfactory use of capacities is above-plan downtime caused by poor engineer support for production. Equipment downtime exceeds 20 percent at the Bokhara Textile Combine, for example, and at the Dzhizak Cotton-Spinning factory, and 34 percent at the Ashkhabad Cotton Combine. By reducing downtime to the planned levels in the spinning operations alone, around 25,000 tons of additional cotton yarn could have been produced during the 4 months--enough to cover the actual shortage 5 times over!

The branch, which means the consumers of its products as well, suffer large losses because of absenteeism, downtime and leaves approved by the administration. Last year the amount of time lost for these reasons amounted to almost 9.7 percent of the total time worked for the USSR Ministry of Light Industry as a whole. This might seem like a very small figure. If we convert it to generally understood terms, however, this loss equals the work which would have been performed by 12,000 people in the branch during the year, people who could have produced (but did not produce) 660 million rubles worth of products. The largest losses of time are occurring at enterprises of Turkmenia's Ministry of the Cotton-Weaving Industry and the ministries of light industry of Azerbaijan and Georgia.

Simple arithmetic shows that if the lagging enterprises would reduce their time lost and personnel turnover down to the average branch level and the others would improve to the level of those out front, this would amount to the performance of more than 107,000 workers. And they would produce almost 3 billion rubles worth of additional products! This reserve has still not been put into action. And so light industry loses more than 8 valuable workdays annually. This is what arithmetic shows....

The reader has no doubt noticed that we are discussing not light industry's problems in general (there are many, the resolution of which involves large financial and material outlays), but only those possibilities the realization of which depends upon the organization of the workers, discipline, a creative approach to the job, initiative and enterprise. N. Tarasov, USSR minister of light industry, feels that there are possibilities like these both within the branch itself and in its external sectors involving other branches of industry. We have already mentioned the fact that the chemical industry is heavily in debt to light industry. The debt must be paid. There is no other way. The negative effects of this debt could also be significantly lessened by means of certain organizational reforms, however. Let us hear what A. Paramonov, RSFSR minister of the textile industry, has to say.

"According to the existing statute," he says, "our industry is required to deliver its products on a monthly basis, whereas the plans for deliveries of raw materials and dyes are broken down by quarters for the chemical workers. This results in a discordance of capacities for the two interacting industries. There is another thing which is negatively affecting the operation of the textile industry enterprises. A look at the deliveries of dyes shows that although the plan for the large-volume colors is being fulfilled in general, there is a shortage of the most needed brown, turquoise, orange and other popular colors. This,

in turn, is resulting in the creation of above-norm stocks of dyes for which the deficit is smaller."

We also know that trade has a considerable role with respect to satisfying consumer demand more completely. And there are still shortcomings in trade as well. Let us quote Ye. Kondrat'kov, RSFSR minister of light industry, on this matter:

"We must improve the substantiation for the orders submitted by the trade organizations for articles in good demand. This is necessary in order to eliminate wasted conversions of production facilities and losses entailed in alteration of the assortment. Last year, for example, by agreement with trade, it was planned to produce 52.5 million corsets and related items. Production was started, when trade suddenly reduced the order by almost 15 percent. For 1984 the order has 'jumped' by almost 25 percent over this year's quantity. What has caused this reshuffling? I believe it can only be one thing--the extremely approximate study of demand, far off the mark with respect to the actual need."

The search launched for extensive reserves for enhancing production effectiveness and improving product quality is highly important among all the changes made in light industry for purposes of fundamentally altering the state of the consumer market. Many of the enterprises and associations have accumulated valuable experience, and it must be universally adopted. At the same time we should search tirelessly for new work forms and methods measuring up to the times and to those tasks set for our industry's workers by the decree recently passed by the CPSU Central Committee and the USSR Council of Ministers, "On Additional Steps to Improve the Supply of Consumer Goods for the Population During the Period 1983-1985." And such a search is being made. In Estonia, for example, a comprehensive program has been worked out for restructuring the entire branch operation. It is planned to alter the ministry's structure there, to include in it the wholesale supply and sales bases and an extensive network of trade-name stores. The republic's ministry of light industry is thus taking on the responsibility for sales of output, along with the production functions, that is, direct responsibility for the satisfaction of demand. It is also planned to substantially reduce the number of plan and evaluation indices, while simultaneously increasing incentives for industry and trade workers for the achievement of good end results in their work. It is planned to eliminate duplication in the quality control system, transferring these functions to a single body--the republic administration of the State Committee for Standards.

Yu. Kraft, Estonian SSR minister of light industry, has an extremely interesting point of view on the problem of so-called production byproducts.

"It is our opinion," he says, "that we must have a system of economic and organizational measures to make the enterprises more interested in making maximum use of remnants from the main production operation. First of all, I believe that we should change the methodology for working out the wholesale prices for products manufactured from these remnants. The price should be directly dependent upon the quality of the finished product and not the cost of the basic raw material, as is presently the case."

This suggestion makes sense. Let us consider it. The average wholesale price of wool yarn is presently 35 rubles per ton, while the same yarn made of production remnants is several times less expensive. It is far easier to manufacture goods from the virgin raw materials, but they cost several times more than those manufactured from remnants although they may be in no way superior to the latter with respect to commercial qualities. Just who is going to produce the yarn from remnants at a loss?

It is impossible within the space of a newspaper article to consider all of the questions deserving our attention, the resolution of which would help us, without additional capital investments but simply by making creative use of internal reserves, to markedly increase production this very year and to improve the assortment and the quality of consumer goods. This would be a concrete contribution by the industry's workers to the accomplishment of the task set for them by the Politburo of the CPSU Central Committee after it had considered the situation of consumer goods production at the end of April.

This matter was thoroughly and seriously discussed at a recent, enlarged meeting of the USSR Ministry of Light Industry. A decision was adopted, which defines effective ways of achieving new goals in the production of high-quality goods.

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CONSUMPTION TRENDS AND POLICIES

ROLE OF NON-PRODUCTION SPHERE IN ECONOMY DESCRIBED

Moscow VESTNIK MOSKOVSKOGO UNIVERSITETA, SERIYA 6: EKONOMIKA in Russian No 3, May-Jun 83 pp 69-76

[Article by G. P. Ivanov: "The Country's Unified National Economic Complex: The Non-Production Sphere in the Country's Unified National Economic Complex"]

[Text] A characteristic feature of developed socialism is the formation of a unified national economic complex in the country, which encompasses all areas of national production, distribution, and exchange; and consists of two major parts--material production and the non-production sphere--that are interdependent in sectorial and territorial terms.

Research done by Soviet economists on the economic problems in the formation and development of a unified national economic complex makes it possible to question the role and place in the complex of the non-production sphere as a whole and of its separate sectors. In examining this problem, it should be emphasized that in the first place, the non-production sphere has become a part of the unified national economic complex as a whole and of each of its regional subsystems. In the second place, a characteristic feature of the country's unified national economic complex is the creation of a unified system of social, cultural, housing, and personal services for the population; and a broad network of institutions of the social infrastructure which permits resolution of social and economic problems.

During the years of Soviet power in the country, radical changes have taken place in the area of cultural construction, medical services, and education. Development of the education system has made it possible to introduce into the country universal compulsory secondary education, to improve training of students in general education, higher, and secondary specialized education institutions, and to provide these institutions with contemporary equipment and supplies. As a result of these measures, there has been a substantial increase in the skilled labor force in the national economy, and there has been a rise in the number of specialists with higher and secondary specialized education in various sectors. In 1981 in the USSR the total number of students was over 102 million; this included 44.3 million people in general education schools; 4.6 million in secondary specialized education institutions; and 5.3 million in higher education institutions.

In the 11th Five-Year Plan there will be a further increase in the skill level of workers in the country's national economy; 13 million skilled workers will complete their training, and there will be 10 million specialists with higher and secondary specialized education².

Major accomplishments are characteristic of the development of art and cultural sectors. The number of libraries for mass use increased by a factor of almost 8 in 1981, and the number of books and magazines in them increased by a factor of 40 compared to 1913. The network of movie theaters has been practically built all over again: the number of movie theaters in 1981 exceeds the 1913 level by a factor of over 100; and there were 4.244 billion visits to film showings³.

The Communist Party devotes a great deal of attention to protecting the health of Soviet people; in 1981 there were 38.5 physicians in all specializations for every 10,000 people, compared to 1.6 in 1922. There were 126 hospital beds for every 10,000 people in 1981, compared to 14 in 1922⁴.

The unified system of social, cultural, and personal services encompasses the entire mechanism of the country's national economy as a whole, the republic, oblast, city, and rural population, and promotes development of the society's productive forces and helps in the resolution of the basic social and economic tasks set by the 26th CPSU Congress.

An important factor in the unified national economic complex is the relationship between the production and non-production spheres, which to a significant degree determines the effectiveness of all socialist reproduction. The role and significance of distribution of resources between the two spheres is growing especially under the conditions of intensification of the entire reproduction structure and moving the economy onto an intensive path of development.

Factors, such as the level of productive labor achieved in the national economy; the effectiveness of national production; the society's goals; historical and political conditions under which the country's productive forces are developing; the level at which demands for non-material wealth and services are satisfied; and the degree of efficiency found in the utilization of resources in sectors of the non-production sphere; influence the distribution of resources between the production and non-production spheres under socialism. In the USSR in 1981 the proportion of people employed in the non-production sphere was 26.3 percent, compared to 11.7 percent in 1940⁵.

Fixed capital in the non-production sphere in 1981 was estimated to be 623 billion rubles, which represents 33.6 percent of the total fixed capital in the national economy. Capital investments made for the construction of scientific, cultural, arts, and educational institutions accounted for 5.0 percent of the total capital investments made (in 1918-1928 this indicator was 0.7 percent). On the whole, expenditures on social and cultural measures and science, out of the state budget and other sources totalled 130 billion rubles in 1981⁷.

Today the process of socialist production and the demands of the scientific and technical revolution are having a greater and greater effect on the

relationship between the production and non-production spheres. Contemporary production determines to a significant degree the development of non-production sectors, which first maintain the process of reproduction of the material product and fulfill the sales function; second, they promote increased production efficiency and improvements in manufacturing methods, organization, and management; third, they train specialists for material production; and fourth, they keep workers fit for duty (through health care, tourism, culture, and so forth).

An analysis of statistical materials revealed a definite connection between the development of the non-production and production spheres of the national economy. A comparison of the growth rates of the national income and expenditures on social and cultural measures and science out of the state budget and other sources between 1960 and 1980 shows a 0.6 correlation coefficient between these parameters. The connection between national income and expenditures on the non-production sphere is seen most clearly after a time lag of two years. This correlation is characteristic for indicators of the national income (X) and of expenditures on social and cultural measures from the budget and other sources (Y), which are expressed in the regression equation:

$$Y = -14.6901 + 0.3001X + 4.2825, \text{ with a correlation coefficient} = 0.9988.$$

The relationship between the number of people employed in the national economy (X) and in housing, municipal, and personal services; health care, education and culture (Y), can be written as a regression equation:

$$Y = -3.294 + 0.2159X + 0.1952, \text{ with a correlation coefficient} = 0.9997.$$

The most indicative feature summarizing the increased role of sectors of social and cultural services is the increase of services in the total volume of consumption. If in 1928 the consumption of free and paid services among workers' families accounted for 12.6 percent of the expenditures, and 2.9 percent among the farming population, in 1981 this proportion was 23.9 percent among industrial, office, and professional workers; 23.6 percent among laborers; and 14.0 percent among kolkhoz workers.

There was also an increase in the absolute volume of consumption of services and in its share of the total personal consumption fund; there was stepped-up growth in social, cultural, and personal services sectors for the rural population; the levels of consumption of services by kolkhoz workers and other workers grew closer together.

The consumption of services in rural areas, however, as well as in new construction regions, still lags behind the country's average. Therefore, the Report to the 26th Congress of the CPSU Central Committee emphasized the "need to even out social discrepancies...that occur on a territorial basis"¹⁰ as a means for retaining manpower resources in areas of Western Siberia, along the Baikal-Amur Railroad, in the Far East, and the North.

An analysis of employment statistics in non-production sectors shows first that there is a higher rate of growth in the number of workers in the non-production

sphere as a whole compared to material production; second, there is a declining rate of growth for all sectors of the non-production sphere; and third, there are changes in the dynamics of development of individual sectors, which is reflected in a change in the sectorial structure of the non-production sphere. Research shows a steady increase in the proportion of those employed in housing, municipal, and personal services; between 1965 and 1981 this indicator grew from 3.1 percent of the total number of people employed in the national economy to 4.01 percent. There was also some increase in the percentage of those employed in education (from 7.86 percent in 1965 to 8.2 percent in 1981); there was a substantial increase in the proportion of people employed in science and scientific services (from 2.84 percent in 1965 to 3.9 percent in 1981); there was also a rise in those employed in cultural measures (from 0.72 percent in 1965 to 1.17 percent in 1981). At the same time there was practically no change in the proportion of people employed in health care, physical fitness, and social services; there was a decrease in the proportion of people employed in arts institutions and enterprises: from 0.51 percent in 1965 to 0.42 percent in 1981. The proportion of people employed in the system of state administrative organs, and cooperative and social organizations for loans and state insurance has remained stable since 1965, (2 percent of the total number of people employed in the national economy)¹¹.

In the allocation of capital investments and fixed capital there has been first a decrease in the proportion of non-production fixed capital (from 40.1 percent in 1965 to 33.6 percent in 1981) and a decrease in the proportion of capital investments in science, culture, art, and education (from 6.2 percent in 1965 to 5.0 percent in 1981). Second, there has been a drop in the rate of growth of fixed capital in all sectors of the non-production sphere, which has caused a corresponding change in the structure of non-production fixed capital in the sectors. Specifically, there was a decrease in the proportion of fixed capital in the housing industry (from 26.5 percent in 1965 to 19.1 percent in 1981); the proportion of fixed capital in science, culture, and the arts remains at the 1965 level (4.1 percent); the same is true for fixed capital in municipal and personal services (4.4 percent). The proportion of fixed capital in health care and education decreased from 8.2 percent in 1960 to 6.0 percent in 1981¹².

The result of workers' labor in the non-production sphere does not usually take a material form; it takes the form of the use value of labor, which was described by K. Marx as something which is "used as is; it does not change from a form of movement into a material form"¹³. Even when the result of workers' labor in the non-production sphere takes on some material form (such as a painting, sculpture, etc.), it is not identical to the material form, since it is not defined by its use properties. Thus the result of an activity in the non-production sphere is determined to a large extent by the properties of its creator's living labor, and in this sense it is the useful effect of labor. Without going into all the political and economic aspects of the problem of services, its socio-economic nature, and its relationship to labor, which have been discussed extensively in economic literature, we will analyze some of its specific aspects.

Contemporary economic literature, and planning and statistical practice consider, not without reason, non-material and spiritual (cultural) wealth as results of services, and also as identical concepts. This approach establishes

the fact that a service is both a process and a result of labor; the technical specificity of the process makes it possible to describe it as a result, to some extent or another. The interpretation of the service category as a process and a result of labor is appropriate¹⁴.

In addition to this, assigning a service exclusively to "the sphere of direct consumption of labor"¹⁵ hinders resolution of the problem of the role of material means that are used in its creation. The definition of non-material wealth as a useful effect of labor to a great extent indicates its essential nature, although it does not provide an opportunity to measure this non-material wealth. A definition of the so-called end result in the non-production sphere does not solve the problem either; it is described as "the process of useful changes in the properties of a thing, individual, or social relations"¹⁶.

In our opinion, the result of workers' labor in the non-production sphere should also include the set of useful properties of a person's labor, who is producing with the help of material means a certain use value, which takes the form of a service, or non-material or spiritual wealth. This approach makes it possible to distinguish the form of the result when it does not coincide with the labor of the person who created it, or with the effect obtained by the consumer.

In the non-production sphere there is no direct exchange between man and nature; here labor is an expedient activity and the material resources used are the means of non-production consumption.

The different roles of manpower and material resources are determined by the differing degree of their influence on the non-material wealth and services that are created; in the process of creating the services and non-material wealth, they are treated in the labor process as expenditures.

A study of the structure of expenditures for the creation of services shows that a great deal goes for wages. Wages and benefits for health care workers accounted for 56.4 percent of the state budget allocations for health care; in 1960 this figure was 53.4 percent; for technical and other schools, the proportion was 44.8 percent in 1975 and 38.5 percent in 1960; for higher education institutions, the proportion was 47.2 percent in 1975 and 48.3 percent in 1960; for general education the figures were 51.9 percent in 1975 and 47.5 percent in 1960.

If one considers that a significant portion of the expenditures in these sectors is tied to the material and financial support of students (in 1975 it accounted for 12.4 percent of the total expenditures in health care institutions; 36.4 percent in technical schools; 35.9 percent in higher education institutions; and 11.3 percent in the sphere of education), that is tied to expenditures that characterize consumption, it becomes obvious that there is an increase in expenditures on wages¹⁷. The proportion of expenditures on wages is also high in other institutions of the non-production sphere. In 1980 these expenditures accounted for 63.8 percent of the total spent by theaters, and 41.9 percent among concert organizations¹⁸; in housing

and municipal services the figure was 53.3 percent, and¹⁹ in passenger transportation and communications, it was 36.6 percent

We will consider the material and manpower resources of the non-production sphere as factors in the creation of services, and their influence on the volume of services created and their interchangeability²⁰. The relationship between material and manpower resources is reflected in the capital-labor ratio, which is calculated as the volume of fixed capital per worker. In spite of the fact that the capital-labor ratio of the non-production sphere is one-third to one-half that found in material production, it is increasing²¹ consistently.

As a result of the increase in material resources provided to the non-production sphere, the capital-output ratio is rising for services²². This trend makes it possible to study the problem of interchangeability of resources in the non-production sphere, even though its limits are narrower than those in material production.

In economic literature, an increase in material resources in the non-production sphere is tied primarily to an increase in the quality of services. This is obvious. The construction of contemporary buildings for social and cultural services improves the conditions for consumption of the services and provides additional conveniences. This raises the quality of service, and thus significantly changes its consumption characteristics.

On the other hand, the application of instruments, accessories, and equipment is a necessary condition for the creation of new types of services. For example, the treatment of some illnesses, especially surgical treatment, has become possible thanks to the application of modern medical instruments, equipment, and drugs. The achievement in the 10th Five-Year Plan of providing the population with a large number of physicians, and the growing role of material means are reflected in the goals for the development of health care in the 11th Five-Year Plan; it stipulates improvement in the provision of medicines, instruments, medical machinery and equipment, supplies, transportation and communication means to health care institutions. To reach this goal, there are plans to increase the output of the medical industry by a factor of 1.4²³

The construction of large-capacity buildings, and application of contemporary technical equipment (microphones, television, radio, film projectors, and so on), make it possible to increase significantly the number of people who receive services with a constant or relatively slow increase in the number of service personnel. Thus, material, technical means lead to a partial replacement of manpower and to a reduction in labor input per unit of services provided.

When considering the problem of the correlation between manpower and non-production capital from the point of view of the role of the latter in the process of providing services, one must look at the existing technological structure of non-production capital investments and assets, as well as the current trends for changes in the structure. Buildings and structures account for 92 percent of the total fixed capital in housing, municipal, and personal

services; and for 73.6 percent in other non-production sectors²⁴--including 35-40 percent in higher education institutions of the USSR Ministry of Higher Education²⁵ and 74.2 percent in the USSR Ministry of Health²⁶.

An analysis shows a slow but steady increase in the proportion of working capital. In RSFSR recreation and culture parks, for example, the proportion of machinery and equipment increased over the last 5 years from 3.0 percent to 3.7 percent; and in musical organizations there was an increase from 2.6 percent in 1970 to 10 percent in 1980; in transportation means there was an increase from 0.8 to 1.2 percent. This kind of trend was more noticeable in the structure of capital investments; the proportion of construction and installation work in the sphere of education and culture represented over 3/4 of the total investments. Even though the proportion of construction and installation work has declined somewhat over recent years, it still is at a higher level than²⁷ that found in material production, where it accounted for 51 percent in 1981.

The growing role of material means in the provision of services, in our opinion, indicates the need for further increases in the level of material supply to institutions and enterprises involved in social and cultural services, in the first place; and in the second place, the need for improvement in the age and technical condition of non-production fixed capital through accelerated renovation and increasing the proportion of working capital.

Concentration of a large amount of resources in sectors of the non-production sphere raises the problem of using them effectively; this problem cannot be considered in isolation from the effectiveness of socialist economics on the whole, and thus, from the effectiveness of achieving end results in the country's unified national economic complex.

The realization of the highest goal of socialism, which is tied directly to the fullest satisfaction of the personal needs of members of the socialist society, corresponding to the given level of development of productive forces, indicates the degree of participation of non-productive sectors, and thus, their effectiveness. "The goal of socialist production can be achieved most quickly not only by way of production, but also through the non-production sphere. Therefore, the basic economic law is also the law of movement of the non-production sphere."²⁸

This fundamental position makes it possible to lay down a theoretical foundation and a methodological basis for studying the effectiveness of the non-production sphere in the national economy, and to work out a system of criteria and indicators not only for various sectors, but for the entire non-production sphere as a part of the unified national economic complex.

Sectors in the non-production sphere, as links in the unified process of socialist reproduction, have an influence on its effectiveness. The reproduction effectiveness²⁹ of the non-production sphere can be divided into several basic, integral parts: first, various sectors (to varying degrees) influence national economic indicators that describe the completion of the reproduction cycle; second, the effectiveness of non-production sectors must be tied to the total balance and proportionality in the development of the national economy. The contemporary level of productive forces not only

determines the direction of development of sectors providing services, but it also requires completely defined proportionality among its units. Since the results of the majority of non-production sectors are embodied primarily in the labor force, the reproduction effectiveness of the non-production sector is reflected in the correspondence between the quality of the labor force and the demands of the country's national economy.

We will examine the reproduction effectiveness of some of the most important non-production sectors, primarily higher and secondary specialized education. A discrepancy between the number of specialists graduating with higher and secondary specialized education and the real demands of the national economy leads to a change in the structure of engineering and technical personnel. This in turn causes either a lack of specialists, or the replacement of specialists by workers who lack the necessary skills. It is clear that a discrepancy between a worker's vocational training and the demands made on him by production represents a decrease in the effectiveness of all production. A consequence of this is an over-all decline in effectiveness which is made up of losses caused by the discrepancy between the worker's skills and the demands of production; and of economic losses due to additional retraining required for the given categories of workers.

Contributing to the decline in effectiveness of the system of higher and secondary specialized education are the utilization of specialists with no regard for the skills they have acquired, and uneven utilization of specialists in the country's different economic regions.

Calculations made at the Department of Economics of the Non-Production Sphere at the Moscow State University Economics Faculty show that a certain number of specialists are being employed outside of their areas of specialization. The contemporary level of technology assumes a high level of skills among workers and often requires specialists with higher and secondary specialized education. A significant number of them, however, are working as laborers for reasons not related to production demands.

Thus, the decline in the effectiveness of higher and secondary education in the national economy is expressed as losses in production resulting from the discrepancy between the worker's skills and the job he holds; the cost of retraining these workers; and the economic loss expressed as the cost of training workers who are not working in their area of specialization.

The reproduction effectiveness of health care and culture can also be expressed as the correspondence between the workers' health and cultural level and what is provided to the workers on the part of production. The effectiveness of the national economy, which is dependent on the proper level of skills, health, cultural among the workers, also depends on the extent to which the population of a specific region or population center is provided with social, cultural, and personal services.

Therefore, when planning the development of non-production capital investments, it is necessary to have closer coordination of sectorial and territorial planning, and to provide sufficient social, cultural, and personal spheres with an adequate concentration of capital investments. This is the basic path for increasing the effectiveness of social and cultural services in the national economy.

FOOTNOTES

1. "Narodnoye khozyaystvo SSSR" [The National Economy of the USSR] 1922-1282, Moscow, 1982, p 499.
2. "Materialy XXVI s'yezda KPSS [Materials on the 26th CPSU Congress], Moscow, 1981, p 182.
3. "Narodnoye khozyaystvo...", op. cit., pp 518-528
4. Ibid., p 542, p 545.
5. "A relatively small productive population would be just another expression of relatively high labor productivity", Marx, K. and Engels, F., "Sochineniye" [Works], Vol 26, p 215.
6. "Narodnoye khozyaystvo...", op. cit., p 398.
7. Ibid., p 68, pp 368-369.
8. Sokolov, M. V. and Semenikhin, A. I., "Fond lichnogo potrebleniya nematerial'nykh blag" [Personal Consumption Fund of Non-Material Wealth], Moscow, 1979, p 64.
9. "Narodnoye khozyaystvo...", op. cit., p 422, 423, 424.
10. "Materialy...", p 54.
11. "Narodnoye khozyaystvo...", p 400.
12. Ibid., p 68, pp 368-369.
13. Marx, op. cit., Vol 46, p 455.
14. "Sfera obsluzhivaniya naseleniya: regional'nyye problemy" [Services for the Population: Regional Problems], Kiev, 1980, p 65.
15. Kozak, V. Ye., "Neproizvodstvennaya sfera: voprosy teorii" [The Non-Production Sphere: Questions of Theory], Kiev, 1979, p 64.
16. "Neproizvodstvennaya sfera SSSR" [The Non-Production Sphere in the USSR], Moscow, 1980, p 37.
17. "Gosudarstvennyy byudzhety SSSR i byudzhety soyuznykh respublik. 1966-1970. Stat. sb." [The USSR State Budget and the Budgets of the Union Republics. 1966-1970. Statistical Almanac], Moscow, 1972, pp 81-85; "Gosudarstvennyy byudzhety SSSR i byudzhety soyuznykh respublik. 1971-1975. Stat. sb." [The USSR State Budget and the Budgets of the Union Republics. 1971-1975. Statistical Almanac], Moscow, 1976, pp 78-92.
18. Based on author's own materials.

19. Snneyderman, I. M., "Statitiska uslug" [Service Statistics], Moscow, 1974, p 74.
20. Questions of the commensurability of material resources and manpower have been studied in Soviet economic literature, including from the point of view of their effect on the volume of material wealth produced (see for example, Aschishkin, A. I. "Prognozirovaniye rosta sotsialisticheskoy ekonomiki" [Predicting the Growth of Socialist Economics], Moscow, 1973; Medvedev, V. A., "Sotsialisticheskoye proizvodstvo" [Socialist Production], Moscow, 1981.) An analogous approach could also be applied to a certain degree in the non-production sphere.
21. This trend has been noted by Soviet economists (see for example, Rutgayzer, V. M., "Resursy razvitiya neproizvodstvennoy sfery" [Resources for Developing the Non-Production Sphere], Moscow, 1975; Khomelyanskiy, B. M., "Ekonomicheskiy effect sotsial'nogo planirovaniya" [The Economic Effect of Social Planning], Moscow, 1979.)
22. Between 1966 and 1975 the output-capital ratio in health care services increased by 16 percent; in education by 15.3 percent; in culture and the arts by 62.2 percent; in housing and municipal services by 27.5 percent (see Kocherga, A. I. and Mazarski, A.A., "Narodnokhozyaystvennyy kompleks i sotsial'nyye problemy" [The National Economic Complex and Social Problems] Moscow, 1981, p 155.
23. "Materialy...", op. cit., pp 182-183.
24. "Ekonomika neproizvodstvennoy sfery" [The Economics of the Non-Production Sphere], Moscow, 1980, p 126.
25. Chuprakov, D. I. and Zhil'tsov, Ye. N., "Ekonomika, organizatsiya i planirovaniye vysshego obrazovaniya" [Economics, Organization, and Planning of Higher Education], Moscow, 1980, p 92.
26. Burenkov, S. P., Goltveyev, V.V., and Kochergin, V. P., "Sotsialisticheskoye zdravookhraneniye: zadachi, resursy, perspektivy razvitiya" [Socialist Health Care: Goals, Resources, and Prospects for Development], Moscow, 1979, p 188.
27. "Narodnoye khozyaystvo...", op. cit., p 366.
28. "O sisteme kategoriy i zakonov politicheskoy ekonomii" [On the System of Categories and Laws of Political Economics], Ed., Tsagolov, N. A., Moscow, 1973, p 140.

29. The economic effectiveness of socialist national production is a reproduction category, in the sense that at every point in time it must express the results of all its stages and in all forms. ("Effektivnost' sotsialisticheskogo proizvodstva" [The Effectiveness of Socialist Production], Moscow, 1978, p 16.

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CONSUMPTION TRENDS AND POLICIES

DEVELOPMENT OF TURKMEN FOOD SERVICES CALLED FOR

GF201848 Ashkhabad TURKMENSKAYA ISKRA in Russian 10 Jun 83 p 1

[Text] The question of further development and improvement of food services to the population was discussed during a meeting of the Turkmenistan Communist Party Central Committee. It was noted during the discussion that the level of food services reached in the republic does not fully meet the increasing demands of the population. There are considerable shortcomings in the work of the food service enterprises and organizations. There is no commitment to promptly executing decisions, and production and services in many enterprises are still low. Food services in the agricultural rayons are developing inadequately. Popular control over the food service work is weak.

The Turkmenistan Communist Party Central Committee Bureau obliged the obkoms; raykoms; the executive committees of the people's deputies councils of the oblasts, cities and rayons; and the republic's ministries and departments to concentrate their attention to the question of developing and improving the activity of the food service enterprises and to maintain constant concern for strengthening the material and technical base and for creating modern food service enterprises. The bureau drew the attention of the enterprises' leaders to the need for greater and more active participation of their enterprises in enhancing food services to the workers. The resolution taken on the question discussed specified concrete measures for improving food services to the population.

A question on the followup of contract pledges for delivery of products and augmenting the responsibilities of ministries, departments, and enterprises in this field was also discussed. The Turkmenistan Communist Party Central Committee and the Turkmen SSR Council of Ministers in their joint resolution on this question consider that the state of production delivery in the republic's national economy still does not meet the demands of the 26th CPSU Congress, the November 1982 CPSU Central Committee Plenum, and the 22d Congress of the Turkmenistan Communist Party. Many unions and enterprises are not fulfilling their contract commitments to the consumers. Serious shortcomings are being allowed in the enterprises of the Uzbek SSR Ministry of the Construction Materials Industry, Ministry of Cotton Cleaning Industry, Ministry of the Meat and Dairy Industry, Ministry of Local Industry, and Ministry of Construction.

The party, soviet and economic organs are instructed to introduce proper order and strengthen discipline in following up contract pledges for production deliveries. For practical work on these questions it is required to follow the demands of the November 1982 CPSU Central Committee Plenum and the instruction of Y. V. Andropov, general secretary of the CPSU Central Committee, on the decisive strengthening of the struggle against any kind of violations of the party, state and labor discipline.

The bureau meeting discussed a number of other questions related to further improvement of the republic's national economic complex.

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PERSONAL INCOME AND SAVINGS

BRIEFS

GEORGIAN GOSBANK DESCRIBES EXPERIMENT--[Editorial Report] Tbilisi KOMUNISTI in Georgian 21 May 1983 page 3 carries a 1,700-word GruzINFORM interview with Georgian Gosbank head V. Peteishvili concerning an experimental credit and financing system being tried out in Poti and in Makharadze and Sagaredzho rayons. Basically, it calls for a differentiated approach to bank financing of local farms and enterprises based on performance. Those which perform well pay interest at a rate 20 percent lower than normal; those who perform poorly pay 20 percent higher. Calculations promise considerable benefits as well as excellent incentive. Peteishvili describes how bank offices locally take part in the operations of the outfits they have lent money to, helping to organize, plan and streamline. Farm and enterprise involvement in the Food Program is an important part of the general undertaking. There is considerable focus on the nature of the new economic mechanism, which is based on the fundamental principle that "only that which is produced can be distributed," a point that is emphasized over and over in regard to the formation of wage funds and their distribution. The Georgian experiment draws heavily on the Bulgarian State Bank's experience. The wage fund method is to go into effect in Tbilisi Zavod Rayon's Bentwood Furniture Kombinat as of 1 January 1984. The system as a whole, after testing and refinement, is supposed to extend republic-wide in 1986.

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